SUNWAY

2024 Sustainability Report

Contents

Report Overview 1

Chairman's Statement 2

About Sunway Communication 3

Special Topic: Maintaining Leadership, Striving for Excellence 5

Sustainability Strategy and Management

Sustainability Strategy Philosophy 7

Sustainability Governance Framework 7

Materiality Assessment 7

Key Performance Indicators 57

Indicator Index Table 58

Feedback Form 61

Advancing Green Practices Promoting Zero-Carbon Development

Building a Robust Management Framework to Advance Environmental Governance 10

Transforming Risks and Addressing Climate Change 16

Resource Conservation and Leading Low-Carbon Operations 21

Compliant Emissions and Safeguarding the Ecological Environment 25

Multifaceted Strategies to Safeguard Biodiversity 33

Steadfast in our commitment Pursuing a Better Life Together

Fostering a Harmonious and Inclusive Workplace Through a People-Centered Approach 35

Empowering Talent and Realizing Employee Value 41

Striving for Excellence and Prioritizing Quality 43

Transparent Governance: Planning for Sustainable Development

Scientific Governance for Stable Company Operations 47

Risk Management to Support Company Development 49

Compliant Operations and Adherence to Legal Standards 50

Efficient Communication to Safeguard Stakeholder Rights 51

Empowering Enterprise Development through Party Building Initiatives 51

Stay True to Our Commitments Collaborating for Mutual Success

Pursuing Shared Development and Promoting Win-Win Cooperation 53

Supporting Public Welfare and Fulfilling Social Responsibility 56

Report Overview

Report Scope

This report is the 2024 Sustainability Report issued by Sunway Communication Co., Ltd., adhering to the principles of materiality, quantifiability, balance, and consistency. It focuses on disclosing Sunway Communication Co., Ltd.'s management strategies, practical achievements, performance metrics, and future plans in the field of sustainable development. The report aims to facilitate effective communication with stakeholders and systematically address their expectations and demands.

This is an annual report covering the sustainability efforts of Sunway Communication Co., Ltd. and select subsidiaries from January 1, 2024, to December 31, 2024. To enhance comparability and forward-looking insights, some content may extend beyond this period, with any discrepancies noted in the relevant sections. For ease of expression and readability, companies included in the scope of this sustainability report are referred to by abbreviated names. The table below lists the companies included in the 2024 Sustainability Report and their respective abbreviations.

Companies Included in the 2024 Sustainability Report and Their Abbreviations

No.	Company Name Included in the 2024 Sustainability Report	Abbreviation
1	All companies included in the 2024 Sustainability Report	**Sunway, We, The Company**
2	Sunway Communication Co., Ltd.	**Sunway Communication, The Company**
3	Sunway Chuangke Communication Technology (Beijing) Co., Ltd.	**Sunway Chuangke**
4	Weishi Technology Co., Ltd.	**Weishi Technology**
5	Shenzhen Weishi Acoustics Co., Ltd.	**Weishi Acoustics**
6	Sunway Communication (Jiangsu) Co., Ltd.	**Jiangsu Sunway**
7	Shenzhen Alex Connector Co., Ltd.	**Alex**
8	Shenzhen Element Technology Co., Ltd.	**Element**
9	Jiangsu Sunway Sensing Materials Technology Co., Ltd.	**Sensing Materials**
10	Sunway Communication (Vietnam) Co., Ltd.	**Vietnam Sunway**

Unless otherwise specified, this report uses Chinese Yuan (CNY) as the currency unit.

Preparation Basis

This report is based on the actual circumstances of Sunway Communication Co., Ltd. and was prepared with reference to the following standards and documents.

No.	Standard or Document Name
1	GRI Sustainability Reporting Standards (GRI Standards)
2	Guidelines for Compiling Chinese Corporate Social Responsibility Reports (CASS-ESG 6.0)
3	Shenzhen Stock Exchange Listed Company Self-Regulatory Guidelines No. 1 – Standardized Operations of Main Board Listed Companies
4	Shenzhen Stock Exchange Listed Company Self-Regulatory Guidelines No. 11 – Information Disclosure Assessment
5	Shenzhen Stock Exchange Listed Company Social Responsibility Guidelines
6	Shenzhen Stock Exchange Listed Company Self-Regulatory Guidelines No. 17 – Sustainability Report (Trial)
7	Task Force on Climate-Related Financial Disclosures (TCFD) Framework
8	United Nations Sustainable Development Goals (SDGs)

This report was compiled by identifying key stakeholders, analyzing and prioritizing material sustainability issues, determining the report's scope, and systematically completing processes such as data collection, aggregation, organization, and review.

Reliability Statement

All data used in this report are sourced from Sunway Communication Co., Ltd. and select subsidiaries. The company is responsible for the authenticity, accuracy, and completeness of the report's content.

Report Access

In line with the principles of low-carbon environmental protection and sustainable development, this report is published exclusively in electronic format. It can be accessed and downloaded at:

Sunway Communication Co., Ltd. (www.sz-sunway.com)

Shenzhen Stock Exchange (www.szse.cn)

CNINFO (www.cninfo.com.cn)

For additional information beyond this report, please refer to the company's annual report.

Chairman's Statement

In an era defined by both challenges and opportunities, we recognize that corporate success transcends the pursuit of financial gains. It is fundamentally rooted in our unwavering commitment to fulfilling responsibilities toward society, the environment, and our stakeholders.

Over the past year, Sunway Communication has resolutely advanced its sustainability journey. We remain steadfast in our mission to deliver innovative, reliable products and solutions through cutting-edge research into foundational materials and technologies, creating enduring value for our customers. This mission is seamlessly woven into our core values—Honesty, Customer Satisfaction, Result-Orientation, Pursuit of the Limit, and Accountability. These values serve not only as our ethical compass but also as the guiding principles propelling us toward sustainable progress. Through meticulous planning, disciplined execution, continuous monitoring, and iterative optimization, we have harmonized environmental benefits, social impact, and shareholder interests to achieve sustainable growth.

1. Delivering on Our Environmental Commitments

We understand that the Earth is our shared home, and environmental stewardship is a non-negotiable responsibility. In 2024, Sunway invested over 10 million CNY in energy-efficiency upgrades and environmental system enhancements, ensuring 100% compliance with wastewater, exhaust gas, and noise emission standards across all facilities. Our environmental performance continues to set industry benchmarks. In carbon management, we implemented a greenhouse gas accounting system aligned with ISO 14064 standards, enabling precise emission reduction strategies. These efforts have not only curtailed greenhouse gas emissions but also optimized operational costs, delivering both environmental and economic benefits.

In clean energy adoption, Sunway pursued a dual strategy of green electricity procurement and self-built photovoltaic power generation. Our Shenzhen operations now rely entirely on renewable energy sources, while Jiangsu Sunway's 11MW distributed photovoltaic project, successfully grid-connected in January 2024, supplies clean energy for production. This initiative generates approximately 9.56 million kWh annually, reducing carbon emissions by about 5,131.63 tons per year. Furthermore, by investing in green energy funds, Sunway has supported the development of clean energy technologies, driving the green transformation of our supply chain.

To foster environmental collaboration, we hosted the 2024 Supplier Sustainability Conference, forging environmental management partnerships with key suppliers. By embedding sustainability at the core of our supply chain, we are working collectively to alleviate environmental pressures and safeguard a thriving planet for future generations.

2. Forging Mutual Success Through Accountability

Guided by a people-centric philosophy, we have established a comprehensive employee welfare framework, placing the well-being of our workforce at the heart of our sustainability strategy. In 2024, we enhanced workplace conditions and rigorously enforced occupational health and safety measures, achieving zero occupational disease incidents. In compliance with labor regulations, we implemented a transparent salary structure across all roles, with differentiated compensation based on technical expertise, job value, and performance, ensuring competitive remuneration.

Our talent development initiatives have been robust, with a tiered training system covering all positions. We delivered over 70 training programs, including routine and specialized skill development, achieving 100% employee participation.

In public welfare, we addressed societal challenges by establishing the Shenzhen Sunway Public Welfare Foundation. In 2024, we launched the "Urban Sanitation Workers Care Program," providing tailored care packages to frontline sanitation workers. We also collaborated with the Kunming Lixing Workshop on the "Community Integration" project and supported the Shenzhen Autism Youth Art Troupe's music therapy program. Through these efforts, we aim to uplift vulnerable communities and contribute to a more inclusive, harmonious society.

3. Strengthening Governance for Resilience

To uphold modern corporate governance standards, we have refined our policies and established a robust framework encompassing strategic decision-making, execution oversight, and performance evaluation, ensuring transparent and disciplined operations. We have prioritized risk management and internal controls, enhancing audits and oversight to mitigate operational risks effectively.

Our corporate culture has been fortified by embedding sustainability into our core values and integrating these principles into employee training. This fosters a shared commitment to ethical behavior and sustainable practices across our workforce.

To enhance stakeholder engagement, we have upgraded our communication channels, fostering open dialogue with investors, customers, suppliers, and communities. By actively incorporating feedback and refining our practices, we have built strategic partnerships that drive mutual value creation and advance sustainable development.

4. Charting a Green Roadmap

As we reflect on 2024, we take pride in our sustainability achievements but remain acutely aware that sustainable development is a long-term endeavor requiring persistent effort across multiple fronts. Anchored by our core values—Honesty, Customer Satisfaction, Result-Orientation, Pursuit of the Limit, and Accountability—Sunway Communication is embedding sustainability into our corporate DNA, striking a dynamic balance between economic prosperity and social good.

Looking ahead, we will continue to prioritize sustainability, advancing environmental protection, social responsibility, and governance through systematic initiatives. We are committed to refining our ESG management framework and achieving breakthroughs in technological innovation, operational efficiency, and ecosystem collaboration. By deepening partnerships with stakeholders to address global challenges such as climate change and resource scarcity, we will contribute meaningfully to the United Nations Sustainable Development Goals.

Peng Hao

Sunway Communication Co., Ltd.

Chairman and General Manager

About Sunway Communication

Sunway Communication was established on April 27, 2006, and was listed on the Shenzhen Stock Exchange in November 2010 (stock code: 300136). The company develops and manufactures a wide range of electronic components and modules related to radio frequency (RF).

In 2012, Sunway acquired the world-renowned antenna manufacturer Laird Technologies (Beijing) Co., Ltd., thereby expanding its global presence and establishing a customer base that includes leading smartphone OEMs and supply chain partners. Today, Sunway operates in 8 countries with 18 regional offices, achieving comprehensive global reach.

As of the end of 2024, the company employed over 10,000 people and had filed a total of 4,782 patent applications. By investing no less than 8% of its annual revenue in research and development, Sunway consistently introduces state-of-the-art technologies to enhance its competitiveness and meet the rigorous demands of its global customers.

In the future, Sunway's mission is to continue researching basic materials and technologies, developing innovative products and reliable solutions that create value for our customers.

Development Milestones

Apr. 2006 Founded in Shenzhen
Nov. 2010 IPO in Shenzhen

Sunway Communication Co., Ltd.

Stock Abbreviation: 信维通信 Stock Code: 300136

2006-2010
Start-up

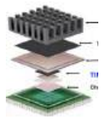
Continuous Innovation on Products and Technologies

Basic Materials Research

Magnetic
2015

Polymer
2017

Ceramic
2017



Heat Dissipation
2024

Advanced Technologies Innovation

RF Connectivity
2006

EMI/EMC
2014

Acoustics
2014

Wireless Charging
2015

Interconnection
2017

Passive Components
2021

Top-tier Professionals

R&D, China
2017

San Diego, USA
2019 (5G/6G)

Stockholm, Sweden
2020 (3D-MID)

Tsukuba, Japan
2020 (LCP/MLCC)

Pyeongtaek, Korea
2022 (MLCC)

Global Layout of Supply Capabilities

Global Manufacturing Bases

Shenzhen Factory
2013

Vietnam Factory Phase 1
2019

Changzhou Factory
2019

Yiyang Factory
2023

Vietnam Factory Phase 2
2024

Mexico Factory
2025

Shenzhen Technology Park
2026

2010~
Innovation and Globalization

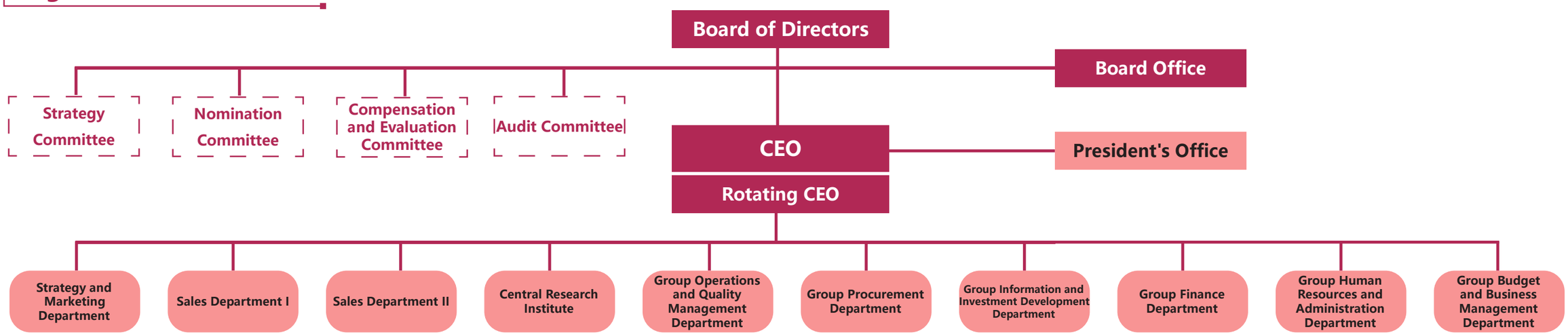
Core Business

Sunway develops and manufactures a wide range of electronic components and modules related to radio frequency (RF), including antenna modules, wireless charging modules, precision metal parts, precision connectors and cables, passive components, acoustic components, and more. These products are used in various applications, such as consumer electronics (smartphones, tablets, PCs, smart wearable devices, etc.), automotive, IoT/smart home, satellite communication, data centers, energy storage, and beyond.

Sunway maintains its market leadership in antennas, wireless charging, and precision structural components, while expanding product adoption among a growing customer base. Simultaneously, the company continues to innovate, developing new products such as high-precision connectors, LCP modules/mmWave antennas, UWB components, automotive solutions, and high-end MCLL.

In addition, Sunway is increasing its investments in emerging application fields such as automotive, satellite communication, data centers, and green energy storage. This strategic expansion supports the company's transformation from a focus on "consumer electronics" to a diversified business model encompassing "consumer electronics + smart electric vehicles/satellite communication + emerging industries."

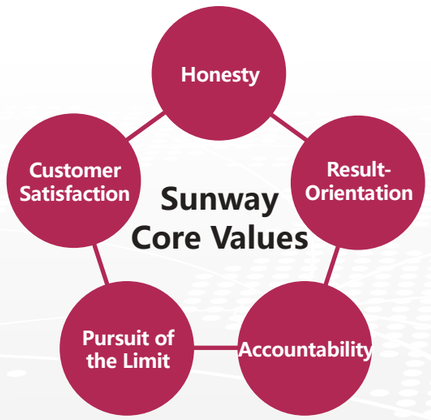
Organizational Structure



Corporate Culture

Sunway Mission

Sunway Communication is dedicated to advancing research in foundational materials and technologies to create innovative, trustworthy products and solutions that deliver exceptional value to our customers.



Awards and Recognition

The following outlines the awards and recognitions received by Sunway Communication in 2024:

Sunway Communication 2024 Awards and Recognitions

No.	Awards and Recognition	Issuing Authority
1	2024 Crystal Ball Award for Best ESG Management Listed Company	Securities Market Weekly
2	Most Valuable Listed Company for Investment	TMTPost
3	Single Champion Enterprise in Manufacturing	Ministry of Industry and Information Technology
4	Shenzhen Green Factory	Industry and Information Technology Bureau of Shenzhen Municipality

Special Feature: Maintaining Leadership, Striving for Excellence

"Single Champion Enterprise in Manufacturing Award"

In the context of China's strategic efforts to foster a tiered nurturing system for innovative small and medium-sized enterprises, the designation of Single Champion Enterprise in Manufacturing represents a benchmark in specialized fields, symbolizing industry leadership and driving high-quality industrial development. This recognition requires enterprises to demonstrate long-term dedication, globally leading technologies, and top-tier market share.

On May 24, 2024, the Ministry of Industry and Information Technology announced the eighth batch of Single Champion Enterprises in Manufacturing. Sunway Communication was honored with this prestigious title, recognized for its deep expertise, industry standing, and market dominance in mobile terminal antennas, built over years of focused development.

Since its founding in 2006, Sunway Communication has navigated 18 years of growth in the communications industry. Antennas remain the company's core and most competitive product line. Receiving the "Single Champion Enterprise in Manufacturing" award is not only a testament to Sunway's sustained focus and resilience but also a powerful catalyst for its future growth. This accolade inspires Sunway to maintain its innovative momentum, lead industry advancements, and contribute significantly to the high-quality development of the manufacturing sector.

证书

制造业单项冠军企业

(2024年—2026年)

企业名称：深圳市信维通信股份有限公司

主营产品：移动终端天线

中华人民共和国工业和信息化部

2024年4月9日

Sunway Named to Shenzhen Green Factory List

On August 7, 2024, the Industry and Information Technology Bureau of Shenzhen Municipality released the 2024 Shenzhen Green Factory List. Sunway Communication was selected for its outstanding performance in energy conservation, emissions reduction, resource efficiency, and production process optimization.

Sunway Communication has long embedded sustainability into its operations across environmental, social, and governance dimensions. On the environmental front, the company has prioritized energy-saving and emissions-reduction initiatives, upgrading production equipment and refining processes to minimize energy consumption and pollutant emissions. Socially, Sunway actively fulfills its responsibilities by prioritizing employee health and safety and engaging in environmental public welfare activities. In governance, the company has established a robust green management system, ensuring that sustainable principles permeate every aspect of its operations. This recognition as a Shenzhen Green Factory affirms Sunway's steadfast commitment to green, circular, and low-carbon development.

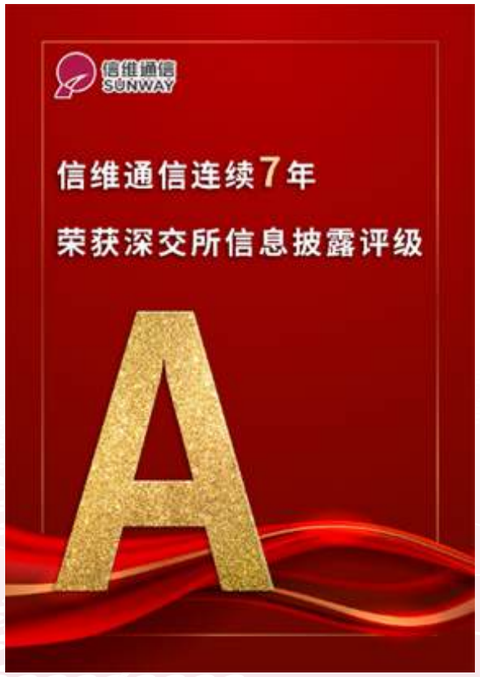
Moving forward, Sunway Communication will leverage this achievement as a springboard to further advance its green manufacturing framework, contributing to the establishment of a green, low-carbon industrial ecosystem and setting a new standard for sustainable industry practices.

Seven Consecutive Years of Receiving Shenzhen Stock Exchange's A-Level Information Disclosure Evaluation

Sunway Communication has consistently prioritized the quality of its information disclosure, operational compliance, and equitable returns for investors. The company has established a robust information disclosure system while fostering effective communication channels with investors, alongside a longstanding commitment to shareholder returns. Since its listing in 2010, Sunway has implemented cash dividends 11 times, distributing over 550 million CNY in total, with more than 190 million CNY distributed in the past three years, sharing the fruits of its operational success with investors.

On October 11, 2024, the Shenzhen Stock Exchange issued the Notice on the Evaluation Results of Information Disclosure Work for SZSE-Listed Companies for 2023-2024. Shenzhen Sunway Communication Co., Ltd. (Stock Code: 300136) was honored with an A (Excellent) rating for its information disclosure work for the seventh consecutive year. This accolade not only reflects high praise for the company's information disclosure efforts over the past year but also underscores its overall strength. It further acknowledges Sunway's sustained commitment to high standards of operational compliance, quality corporate governance, and effective investor relations management.

Looking ahead, Sunway will continue to enhance its corporate governance and operational compliance, improve the quality of information disclosure, and strengthen investor relations management. The company remains dedicated to bolstering its core competitiveness and market value, fostering a synergistic development of investor returns and corporate value.



Recipient of the 2024 Best Action Award for Corporate Sustainability

In recent years, Shenzhen has achieved remarkable results in industrial upgrading and transformation, particularly demonstrating leadership and foresight in establishing a green financial services system aligned with carbon peak and carbon neutrality goals.

On December 12, 2024, the Shenzhen Green Finance Association hosted an event to recognize contributors in the field of green finance. Sunway Communication was awarded the 2024 Best Action Award for Corporate Sustainability for its outstanding performance in sustainable development. This honor affirms Sunway's years of dedication to sustainability initiatives.

Sunway has advanced the development of its Environmental, Social, and Governance (ESG) framework. Amid complex challenges, the company has comprehensively built and refined its ESG system, from strategic planning to departmental execution, implementing forward-thinking strategies and measures to deeply integrate business operations with its sustainability strategy:

Advancing Carbon Neutrality: Sunway has set a carbon neutrality target for 2030, with a clear implementation roadmap.

Developing Green, Low-Carbon Products: Environmental considerations are embedded in product design, with energy-saving tests conducted on finished products to ensure compliance with international environmental standards.

Applying Energy-Saving and Emissions-Reduction Technologies: By adopting high-efficiency energy-saving equipment and optimizing production processes, Sunway enhances energy efficiency and reduces carbon emissions.

Implementing Full Value Chain Emissions Reduction: Sunway employs green procurement, production, packaging, warehousing, transportation, distribution, and recycling practices to minimize environmental impact across all stages.

Harnessing Renewable Energy: Sunway Has Invested In The China Clean Energy Fund Initiated By Its Clients, With The First Three Wind Power Plants Constructed Under This Initiative Operational Since 2019. In 2024, Sunway utilized 104,800,413 kWh of renewable energy, achieving an annual carbon reduction of approximately 56,235.90 tons.

Building Green Factories: Sunway actively promotes the "green and low-carbon" philosophy, developing a dedicated Green Factory Construction training course to encourage employees to adopt sustainable behaviors.

Sustainability Strategy and Management

Sustainability Strategy Philosophy

Sunway Communication is committed to its mission of "advancing research in foundational materials and technologies to create innovative, trustworthy products and solutions that deliver exceptional value to our customers." This commitment is pursued through the three dimensions of environment, social, and governance (ESG), driving the implementation of Sunway's sustainability strategy and amplifying its influence in the global sustainability agenda.

Sustainability Governance Framework

Sunway Communication places significant emphasis on the development of its sustainability framework. To enhance management mechanisms and coordinate related efforts, the company established a dedicated Sustainability Task Force in 2023. Comprising key personnel from various business units, this task force reports directly to the Board of Directors and is entrusted with three core responsibilities:

1. Executing the sustainability strategy and plans approved by the Board of Directors.
2. Regularly reporting on the progress and outcomes of strategy implementation.
3. Overseeing the full spectrum of sustainability activities across all business units to ensure effective realization of strategic objectives.

Materiality Assessment

Stakeholder Identification and Engagement

Sunway Communication values the expectations of its stakeholders and prioritizes their input. During the reporting period, guided by its strategic objectives and business characteristics, and drawing on global industry practices, Sunway identified key stakeholder groups with significant potential or actual impact on its development. These groups include shareholders and investors, suppliers and partners, customers and consumers, among others. To ensure effective and accessible communication, Sunway has developed and refined a variety of tailored communication channels and methods based on the distinct characteristics of each stakeholder group.

Sunway Stakeholder Engagement Channels and Key Concerns

Stakeholder	Communication Channels	Expectations and Concerns
Government and Regulators	Regular Communication and Feedback Regulatory Oversight Participation in Relevant Meetings	Compliant Operations Tax Compliance Job Creation Economic Development
Shareholders and Investors	Shareholders' General Meeting Information Disclosure Performance Briefings Investor Communication Platforms	Protection of Shareholder Rights Fair Treatment Information Transparency Stable Operations
Suppliers and Partners	Supplier Exchanges and Training On-site Interactions	Fair Treatment Contractual Integrity Win-Win Cooperation
Customers and Consumers	Information Disclosure Complaint Handling and Follow-ups Regular Communication and Visits	Superior Customer Service Ensuring Product Quality and Safety Customer Privacy Protection
Employees	Employee Training Employee Satisfaction Surveys Bulletin Boards, Company Intranet	Employee Compensation Employee Career Development Health And Safety Humanistic Care
Community	Information Disclosure Community Engagement Handling Resident Complaints	Community Development Emissions Management
Media	Media Interviews Performance Briefings	Information Transparency Good Cooperation Fair Treatment

Materiality Issue Analysis

To more accurately address stakeholder demands, Sunway conducted a materiality assessment in accordance with the Guidelines for Listed Companies No. 17 – Sustainability Report (Trial) issued by the Shenzhen Stock Exchange. This assessment considered both" financial materiality" and "impact materiality," along with industry-specific factors, to define sustainability issues and perform a materiality evaluation. Through systematic analysis, 21 material issues were identified. Based on feedback from surveys conducted with stakeholders such as customers, consumers, employees, suppliers, and partners, Sunway constructed the 2024 Materiality Issues Matrix.

Environment	Pollutant Emissions	Waste Management	Ecosystem and Biodiversity Protection	Environmental Compliance Management	Climate Change Response	Water Resource Utilization	Circular Economy		
Social	Data Security and Customer Privacy Protection	Employees	Supply Chain Security	Product and Service Safety and Quality	Technology Ethics	Equal Treatment of Small and Medium-sized Enterprises	Innovation-driven Development	Social Contribution	Rural Revitalization
Governance	Stakeholder Engagement	Due Diligence	Anti-commercial Bribery and Anti-corruption	Anti-unfair Competition					

Sunway Materiality Issues Matrix

Sunway Materiality Issues

No.	Material Issue
1	Due Diligence
2	Stakeholder Engagement
3	Anti-commercial Bribery and Anti-corruption
4	Anti-unfair Competition
5	Climate Change Response
6	Pollutant Emissions
7	Waste Management
8	Ecosystem and Biodiversity Protection
9	Environmental Compliance Management
10	Energy Utilization
11	Water Resource Utilization
12	Circular Economy
13	Rural Revitalization
14	Social Contribution
15	Innovation-driven Development
16	Technology Ethics
17	Supply Chain Security
18	Equal Treatment of Small and Medium-sized Enterprises
19	Product and Service Safety and Quality
20	Data security and Customer Privacy Protection
21	Employees

Green Commitment for Zero-Carbon Development

Building a Robust Management Framework to Advance Environmental Governance 10

Transforming Risks and Addressing Climate Change 16

Resource Conservation and Leading Low-Carbon Operations 21

Compliant Emissions and Safeguarding the Ecological Environment 25

Multifaceted Strategies to Safeguard Biodiversity 33

Building a Robust Management Framework to Advance Environmental Governance

Enhancing Institutional Systems

Sunway is unwavering in its commitment to comply with environmental regulations in all regions of operation, including the Environmental Protection Law of the People's Republic of China, Air Pollution Prevention and Control Law, Water Pollution Prevention and Control Law, Work Safety Law, and Cleaner Production Promotion Law.

Since its founding in 2006, Sunway has deeply integrated green development principles into its corporate strategy, championing environmental stewardship and sustainable practices. The adoption of the ISO 14001 Environmental Management System has laid a strong foundation for its environmental governance. This system acts as a precise compass, guiding Sunway's environmental initiatives. For 18 consecutive years, Sunway has maintained uninterrupted ISO 14001 certification. Additionally, since 2007, the company has implemented the IECQ QC 080000 Hazardous Substance Process Management System, achieving 17 years of continuous certification. Through the effective operation of this system, Sunway rigorously controls hazardous substances in its production processes, ensuring the environmental integrity of its products and minimizing potential harm to both the environment and human health.

In response to deepening environmental awareness and industry trends, Sunway has established the ISO 14064-1:2018 Greenhouse Gas Management System. This framework enables precise accounting \naccounting, reporting, and verification of greenhouse gas emissions, reinforcing Sunway's proactive approach to addressing climate change.

To ensure that legal requirements and advanced management systems are effectively implemented, Sunway has developed internal management documents such as the System Management Manual and Procedures for Managing Waste Gas, Wastewater, and Noise. These documents strengthen the foundation of Sunway's environmental management, driving standardization and normalization of its environmental practices. They provide robust support for the company's sustainable development in environmental stewardship.

Sunway has established an organizational structure that includes dedicated environmental management professionals. These personnel are responsible for maintaining daily operational records of environmental protection facilities, conducting regular maintenance, inspections, and ensuring compliance with environmental management protocols. This ensures the seamless operation of environmental facilities and effective management of critical environmental factors.

Moreover, Sunway conducts regular internal and external audits, as well as management reviews of systems such as ISO 14001, to identify and address operational inefficiencies. Any issues uncovered are swiftly rectified through targeted corrective actions, ensuring that environmental management systems operate at peak efficiency. During management reviews, Sunway places particular emphasis on evaluating the relevance of its environmental policies. These policies are continuously refined to align with the company's strategic vision, industry developments, and updated regulatory requirements, ensuring they remain fully responsive to Sunway's environmental management objectives.

Environmental Management Policy

- Enhancing R&D Capabilities: Forging superior quality through innovation.
- Championing Technological Innovation: Ensuring compliance with environmental standards and minimizing harmful impacts.
- Adhering to Laws and Regulations: Reducing pollution emissions through strict compliance.
- Upholding Social Responsibility: Prioritizing occupational health and safety.
- Leveraging Scientific Methods: Safeguarding information security.
- Eliminating Resource Waste: Promoting the use of clean energy.
- Reducing Greenhouse Gas Emissions: Committing to green development.
- Embracing Continuous Improvement: Enhancing customer satisfaction through sustained efforts.

During the reporting period, all Sunway production facilities achieved 100% coverage under the ISO 14001 Environmental Management System certification. No violations of environmental laws or regulations were recorded, and no environmental penalties were incurred.

Sunway | Sunway Chuangke | Weishi Technology | Vietnam Sunway

Sunway ISO 14001 Certification

Environmental Risk Management

Environmental Risk Control

Sunway places environmental risk management at the core of its environmental strategy. The company strictly adheres to regulations such as the Guidelines for Enterprise Environmental Emergency Risk Assessment and the Measures for the Filing of Emergency Plans for Sudden Environmental Incidents by Enterprises and Institutions (Trial). To this end, Sunway has developed comprehensive internal protocols, including the Procedure for Identification and Evaluation of Environmental Factors and the Procedure for Risk and Opportunity Control, establishing a robust, scientific, and efficient environmental risk assessment mechanism.

Guided by lifecycle analysis and pollution prevention principles, Sunway employs methods such as process flow analysis and on-site inspections to conduct annual environmental risk identification, assessment, control, and response activities. Based on these assessments, the company compiles an annual Risk and Opportunity Assessment Analysis Table to systematically identify and manage potential environmental risks. Tailored emergency response plans are formulated to ensure that responses to environmental incidents are well-documented and procedurally sound.

Sunway Environmental Risks and Control Measures

Environmental Risk Type	Risk Control Measures	Emergency Preparedness
Chemical Spill	Cover with sand, intercept, decontaminate, collect	**Firefighting sand, collection barrels**
Hazardous Waste Mismanagement	Cover with sand, decontaminate, collect	**Firefighting sand, collection barrels**
Excessive Waste Gas Emissions	Cease production, repair equipment	**Protective masks, respirators**
Soil Contamination	Intercept, decontaminate, collect	**Firefighting sand, rags, collection barrels**
Failure or Improper Operation of Environmental Protection Facilities	Enhance emergency response training	**Full range of emergency supplies**

Strengthening Environmental Emergency Preparedness

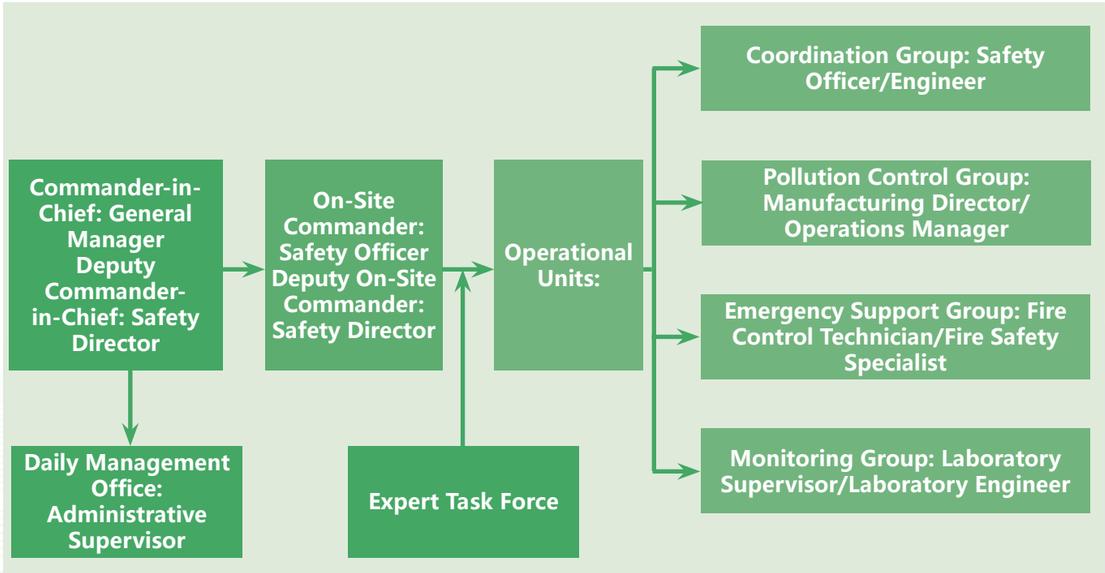
Sunway is resolute in fulfilling its responsibility to prevent environmental risks. By continuously refining its environmental incident prevention framework, the company strengthens monitoring, oversight, and management of environmental hazard sources. This proactive approach focuses on prevention, timely control, and hazard elimination, significantly enhancing Sunway's capacity to address sudden environmental incidents.

In alignment with regulations such as the Measures for the Administration of Emergency Plans for Sudden Incidents issued by the General Office of the State Council, the National Emergency Plan for Sudden Environmental Incidents, and requirements from local environmental authorities, each Sunway production facility has developed a series of emergency management documents. These include the Procedure for Emergency Preparedness and Response and the Emergency Plan for Sudden Environmental Incidents.

Sunway adopts a categorized management approach, leveraging the expertise of relevant departments to implement precise and effective measures tailored to different pollution sources and their environmental and ecological impacts. This strategy aims to prevent or minimize the occurrence of sudden environmental incidents, mitigate their medium- and long-term impacts, and safeguard ecological safety, as well as the lives and property of employees and surrounding communities.

To ensure rapid and effective response, Sunway has established an Emergency Response Command Center for Sudden Environmental Incidents, led by the General Manager. The Safety Department oversees the execution of company-wide emergency response operations. A dual-role (A/B) command structure ensures continuity, with deputy personnel stepping in when primary personnel are unavailable. Upon receiving incident reports, command personnel promptly arrive at the scene to coordinate and direct rescue efforts.

Organizational Structure for Sudden Environmental Incident Response



Environmental Monitoring Management

Sunway is committed to continuously enhancing its environmental monitoring practices. In accordance with the Procedure for Monitoring and Measurement Control, the company systematically monitors and measures activities with significant or potential environmental impacts, including emissions of waste gases (e.g., oil fumes, laser engraving emissions, injection molding emissions, lead fumes), wastewater discharges, and hazardous waste management. These results are evaluated against environmental objectives, targets, and compliance with relevant environmental laws, regulations, and standards. Additionally, Sunway engages qualified third-party institutions annually to conduct regular monitoring of wastewater, waste gas, and noise emissions. This ensures that environmental monitoring data is accurate, reliable, and comprehensive, and that all pollutant emissions consistently meet regulatory standards.

During the reporting period, all Sunway production facilities achieved 100% compliance with emission standards for wastewater, waste gas, and noise, with no instances of non-compliance recorded.

CASE Assessment and Identification of Potential Soil Contamination Risks

In 2024, to align with the Beijing Soil Pollution Prevention Action Plan 2023 and the 2024 Action Plan for Advancing Beautiful Beijing and Intensifying Pollution Prevention and Control, and to strengthen soil environmental management within the electronics industry in the Beijing Economic and Technological Development Zone, Sunway Chuangke was commissioned by the Urban Operations Bureau of the Beijing Economic and Technological Development Zone. The objective was to conduct a pilot demonstration project for assessing soil contamination risks among electronics industry enterprises in the zone, ensuring environmental safety.

Upon receiving the commission, Sunway Chuangke promptly mobilized relevant personnel to conduct a thorough soil contamination risk assessment, taking into account the current state of soil pollution prevention and the specific conditions of the enterprise. Guided by the Guidelines for Soil Contamination Risk Assessment by Key Regulatory Units (Trial) (Ministry of Ecology and Environment, 2021, No. 1), Sunway Chuangke performed a comprehensive and systematic assessment. This included establishing a risk assessment ledger and compiling a detailed soil contamination risk assessment report. The assessment focused on key areas and facilities with potential soil contamination risks, such as the wastewater treatment station, chemical storage warehouse, and comprehensive hazardous waste storage facility, using the factory boundary as the assessment perimeter. The findings were publicly disclosed in the 2024 Soil Contamination Risk Assessment Report of Sunway Chuangke Communication Technology (Beijing) Co., Ltd., available on the company's official website (https://www.sz-sunway.com/about/publicity/).

Chemical Storage Warehouse

Comprehensive Hazardous Waste Storage Facility

CASE Self-Monitoring of Soil and Groundwater

In April 2024, Sunway Chuangke, in accordance with the Guidelines for Soil Contamination Risk Assessment by Key Regulatory Units (Trial) (Ministry of Ecology and Environment, Announcement No. 1, 2021), engaged a qualified third-party organization to conduct a soil contamination risk assessment for key areas and facilities. A monitoring plan was developed to perform environmental monitoring of soil and groundwater, resulting in the compilation of the 2024 Soil and Groundwater Self-Monitoring Report of Sunway Chuangke Communication Technology (Beijing) Co., Ltd. (available at: https://www.sz-sunway.com/about/publicity/). A total of 10 surface soil monitoring points (each with a sampling depth of 0.2m), 4 groundwater monitoring points (each with a sampling depth of 1m below the water table), and 3 soil gas monitoring points (each with a sampling depth of 1.5m) were established. Monitoring Results: All monitored indicators met compliance standards.

Soil Monitoring Point Layout Diagram

Soil Sampling Images

Groundwater Monitoring Point Layout Diagram

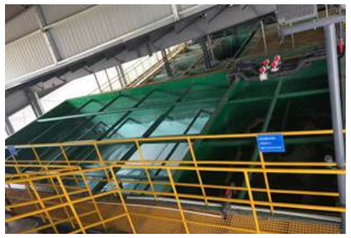
Groundwater Sampling Images

Ensuring Investment in Environmental Protection

In 2024, Sunway steadfastly pursued green development, intensifying efforts in environmental protection through significant investments in both financial resources and technical expertise. A total of over 17 million CNY was allocated to environmental initiatives, covering costs such as reclaimed water facility operations, waste gas facility upgrades, noise reduction measures, hazardous waste disposal, environmental testing, and environmental activities. These investments have effectively supported the achievement of environmental management objectives, steadily reducing the negative environmental impact of the company's production and operations.

CASE New Treatment Process Added to the Sewage Treatment Plant

To enhance wastewater treatment efficiency and fulfill its environmental responsibilities, Sunway (Jiangsu) invested approximately 1.4057 million CNY in 2024 to upgrade the treatment processes for copper-nickel wastewater and cyanide-containing wastewater. Additionally, a new treatment process for nickel-containing wastewater, including supporting infrastructure, was introduced. These upgrades enable precise classification and discharge of wastewater, significantly improving treatment efficiency and contributing substantially to environmental protection.



CASE Anti-Corrosion and Anti-Seepage Upgrades for Wastewater Collection Pools and Surfaces

In 2024, Sunway (Jiangsu) invested 741,200 CNY to implement a three-layer, five-coat anti-corrosion and anti-seepage treatment for all collection pools, surfaces, and drainage channels within the wastewater treatment station area. This process enhances the corrosion resistance of the facilities, eliminates potential environmental pollution risks, and mitigates safety hazards, ensuring the safe and stable operation of the wastewater treatment station.

CASE Construction of Rain Shelters for Wastewater Treatment Station

To alleviate operational pressures on the wastewater treatment station's equipment, prevent sewage leaks due to excessive wastewater volumes, and reduce wastewater treatment costs, Sunway (Jiangsu) invested 1.0573 million CNY in 2024 to construct steel-structured rain shelters in the wastewater treatment station area. These shelters effectively prevent rainwater from entering collection pools, addressing the root cause of increased wastewater volumes due to rainwater mixing. This initiative provides robust support for the stable and efficient operation of the wastewater treatment station.

Fostering a Green Culture

The environmental awareness and capabilities of employees are pivotal to Sunway 's commitment to sustainable environmental development. Sunway employs a multifaceted approach to cultivate this culture, including regular environmental risk emergency drills to enhance response capabilities, organizing environmental training and awareness campaigns to disseminate knowledge, promoting green office practices to advocate energy conservation, and facilitating environmental knowledge-sharing sessions to exchange best practices. These initiatives collectively strengthen employees' environmental competencies, uniting the workforce to propel Sunway toward a sustainable future.

Environmental Risk Emergency Drills

In the realm of environmental risk prevention, Sunway adopts a proactive stance focused on the anticipation, prediction, and control of environmental incidents. The company has established an Emergency Drill Leadership Team, which organizes regular environmental emergency drills to simulate various sudden environmental scenarios. These exercises enable employees to master response procedures, thereby enhancing their ability to prevent and respond to environmental incidents. The drills also serve to evaluate the readiness of emergency teams, supplies, equipment, and technical resources. Identified deficiencies are promptly addressed through adjustments and supplementation to ensure robust preparedness, fortifying defenses against potential environmental risks.

During the reporting period, Sunway conducted a total of 54 emergency drills, covering scenarios such as chemical fires, chemical spills, and hazardous waste management.

CASE **Chemical Spill Emergency Drill**

In February 2024, Sunway (Jiangsu) conducted a chemical spill emergency drill to strengthen the on-site response capabilities of personnel handling chemicals. The drill scenario involved employees discovering a spill of residual chemicals (dilute sulfuric acid) during the packaging of chemical drums. Upon notification, emergency responders rushed to the scene to address the incident. The on-site workers responded promptly, using absorbent cotton to contain the spilled chemicals, demonstrating appropriate measures and a solid grasp of emergency procedures for chemical exposure. Emergency supplies were readily accessible, meeting the drill's requirements. Responders arrived at the scene swiftly after receiving the call, ensuring a timely and effective response.

Environmental Training

Sunway spares no effort in promoting environmental knowledge. To effectively build employees' environmental competencies, the company incorporates foundational environmental protection training into the onboarding process for new employees, enabling them to quickly establish a robust knowledge base. Additionally, Sunway conducts specialized environmental protection training for workshop employees annually to further reinforce their environmental awareness.

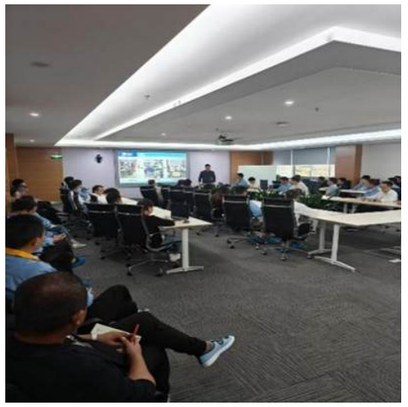
The training programs are comprehensive and diverse, covering topics such as compliant hazardous waste management to ensure adherence to regulations, standardized management of pollution control facilities to guarantee stable operations, wastewater treatment station training to enhance wastewater management capabilities, environmental laws and regulations training to clarify legal responsibilities, hazardous waste management training to deepen understanding, waste gas treatment safety and inspection protocols to ensure safe and efficient operations, environmental standards training, and waste sorting training. This multifaceted approach elevates employees' environmental literacy across all dimensions.

During the reporting period, Sunway conducted 64 environmental training sessions, totaling 206 hours and engaging 1,986 participants.

CASE **Training on Standardized Management of Pollution Control Facilities**

During the reporting period, Sunway organized a training session on "Standardized Management of Pollution Control Facilities" to enhance workshop managers' expertise in managing and operating pollution control equipment. The training aimed to ensure stable and efficient facility operations, reduce pollutant emissions, support the company's environmental objectives, and ensure strict compliance with environmental regulations. The curriculum comprehensively addressed pollution control facilities, covering critical aspects such as management protocols to ensure compliant operations, operational requirements outlining necessary conditions for normal functioning, and maintenance guidelines detailing key checkpoints and practical methods for regular inspections. Additionally, standardized operating procedures were emphasized to ensure employees operate facilities correctly, preventing issues arising from improper handling.

The training was successfully completed, with 220 participants achieving a 100% completion rate.



CASE **Waste Sorting Training**

Sunway prioritizes fostering environmental competencies not only among its employees in China but also across its global workforce. In March 2024, Sunway (Vietnam) conducted a waste sorting training session with a comprehensive curriculum covering multiple critical areas. The training detailed operational protocols for each stage of the waste management process, enabling employees to master the procedures. It provided guidance on the correct use and allocation of protective equipment to ensure safety during waste handling. Techniques for waste identification and sorting were thoroughly explained to enhance proficiency, and the entire process of waste collection, sorting, transportation, and disposal was covered to strengthen employees' waste management capabilities.

The training yielded significant results, markedly improving participants' environmental competencies, with all attendees successfully completing the program, achieving a 100% completion rate.

CASE **Hazardous Waste Training**

In August 2024, Sunway Chuangke organized a "Hazardous Waste Training" session, structured around five key modules. The training provided an in-depth exploration of the definition of hazardous waste, clarified related legal responsibilities, and detailed the procedures for hazardous waste transfer, label application, and record-keeping. Expert instructors delivered comprehensive explanations and addressed participants' questions throughout the session. The training was successfully completed, significantly enhancing employees' hazardous waste management capabilities.

Green Office Practices

In an era where sustainability is a global imperative, Sunway steadfastly champions green development, consistently adhering to green manufacturing principles and vigorously promoting green office practices across all facets of its operations. Recognizing the importance of cultivating employees' energy-saving and environmental awareness, Sunway has made this a priority. Through diverse training programs and awareness campaigns, the company calls on all employees to embrace resource conservation, encouraging small, actionable steps such as turning off lights when leaving, printing double-sided, and setting air conditioners to energy-efficient temperatures. These efforts aim to foster low-carbon behaviors, contributing to environmental sustainability.

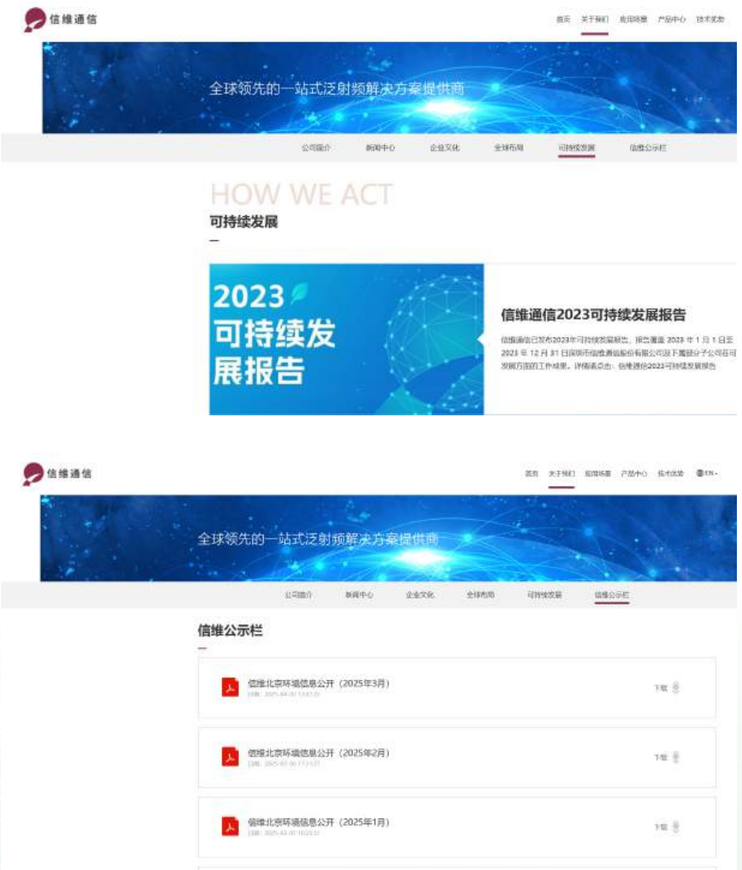
Green Office Measures

- Utilize energy-saving lighting and ensure lights are turned off when not in use.
- Power down computers, monitors, and other electrical devices after work hours.
- Promote paperless operations by leveraging online office systems and using paper double-sided.
- Encourage video conferencing to reduce carbon emissions from business travel.
- Advocate for green commuting by using public transportation.

Environmental Information Disclosure

To ensure that stakeholders gain a comprehensive and in-depth understanding of Sunway 's environmental performance, we actively expand our information disclosure channels. On one hand, we leverage key platforms such as annual reports, sustainability reports, the Institute of Public and Environmental Affairs (IPE), and the Carbon Disclosure Project (CDP) to systematically present our achievements, challenges, and future plans in environmental protection. Additionally, we utilize the authoritative securities information disclosure platform, CNINFO, to promptly release environment-related content, ensuring transparency and compliance with regulatory requirements.

On the other hand, we have established a dedicated “Sunway Public Disclosure Section” on our official website (https://www.sz-sunway.com). This section provides detailed disclosures of Sunway's environmental information, including pollutant emissions data, and is regularly updated according to predetermined timelines to ensure timeliness. During the reporting period, we published a total of 15 environmental information reports on our website, effectively safeguarding stakeholders' right to information and enabling them to fully understand Sunway's environmental initiatives and practices.



Transforming Risks and Addressing Climate Change

Governance

Since being recognized as one of the first national high-tech enterprises, Sunway has consistently upheld a strong sense of social responsibility. We are acutely aware of the impact of our operations on climate change and actively align with China's national goals of achieving carbon peak by 2030 and carbon neutrality by 2060. In strict adherence to the requirements of the Shenzhen Stock Exchange's Guidelines No. 17 for Self-Regulation of Listed Companies – Sustainability Report (Trial), we regularly and comprehensively disclose progress on our climate change initiatives. Our efforts span multiple dimensions, including strategic planning for climate-related work, risk identification, and carbon emissions management. Furthermore, we foster close collaborations with industry peers and partners across the supply chain to jointly advance the effective implementation of climate change mitigation measures, fulfilling our corporate social responsibility and contributing to a sustainable future.

Climate change initiatives form a critical component of Sunway's Environmental, Social, and Governance (ESG) framework. The Board of Directors serves as the highest oversight body for climate-related work, while the ESG Working Group is responsible for collecting the latest information on climate change risks and opportunities, strategies, and objectives. The group oversees the coordinated management of climate-related initiatives and reports annually to the Board.

Strategy

In addressing climate change, Sunway remains steadfast in its efforts, continuously enhancing its ISO 14001 environmental management system. By adopting advanced management concepts and technological solutions, we improve resource efficiency and minimize the environmental impact of our production and operations.

To achieve the ambitious goal of "Sunway 2030 Carbon Neutrality," we have meticulously developed a comprehensive technical roadmap. This roadmap encompasses critical areas, from energy structure optimization to the application of innovative technologies, providing clear guidance for Sunway's carbon reduction initiatives. Furthermore, we actively respond to international initiatives by joining the Science Based Targets initiative (SBTi). Leveraging science-based target-setting and rigorous evaluation mechanisms, we ensure that our carbon reduction efforts are both scientifically grounded and effective.

Risk and Opportunity Management

Sunway integrates climate risks into its corporate risk management framework, conducting assessments of both physical and transition risks related to climate change. These assessments evaluate the positive and negative impacts of climate risks on the company, enabling the development of risk mitigation measures based on the likelihood and severity of potential risks. Moving forward, the company will further refine its risk management systems and processes, ensuring timely monitoring and response to climate risks and other risk categories.

Physical Risks

Physical risks, also referred to as entity risks, arise from changes in weather and climate conditions that impact Sunway's operations and development. These include acute physical risks (such as floods, typhoons, heatwaves, and wildfires) and chronic physical risks (such as rising temperatures, sea level rise, changes in precipitation patterns, and water scarcity). We have conducted a comprehensive screening of acute and chronic physical risks across all operational sites, identifying high-risk areas and analyzing the financial implications of key physical risks on Sunway. The primary physical risks are outlined in the table below.

Transition Risks

Transition risks, also known as transitional risks, stem from policy, legal, technological, and market changes arising during the shift to a low-carbon economy to mitigate and adapt to climate change. Sunway has conducted a detailed analysis of three key categories of transition risks: policy and compliance risks, market risks, and technological risks. The primary transition risks are outlined in the table below.

Climate Opportunities

In the context of China's vigorous pursuit of its "dual carbon" goals and the proactive implementation of supporting policies, the energy structure is accelerating its transition toward green and low-carbon models, accompanied by profound shifts in market demand. Leveraging its forward-looking strategic vision, Sunway has proactively positioned itself to adapt to climate change, consistently advancing efforts in energy conservation and emissions reduction.

On one hand, Sunway has significantly enhanced resource efficiency and reduced operational costs by adopting advanced technologies and management practices, achieving optimal resource utilization. On the other hand, in addressing climate change, Sunway has continuously optimized its supply chain management, fostering close collaboration with upstream and downstream partners to strengthen the resilience and risk resistance of its supply chain. These efforts have effectively ensured the stable development of Sunway's operations, laying a solid foundation for its sustainable growth.

Sunway's Key Climate Opportunities and Response Measures

Climate Opportunities Arising from Climate Change	Actions and Measures Taken to Seize Opportunities
Growing demand for renewable energy enables reduced carbon emissions through its use, enhancing corporate sustainability while meeting customer demand for green products and boosting market competitiveness.	• Develop and implement a renewable energy utilization plan, including procuring green electricity and investing in renewable energy generation facilities, to progressively increase the proportion of renewable energy in the company's energy mix.
Addressing climate change drives innovation in production technologies, such as low-energy, low-emission green manufacturing models like electronic additive manufacturing, which effectively reduce energy consumption and carbon emissions to meet low-carbon requirements.	• Promote green manufacturing processes, such as electronic additive manufacturing, to minimize energy consumption and material waste during production, thereby reducing carbon emissions. • Strengthen energy conservation and emissions reduction management in production processes, regularly evaluating and improving production techniques to enhance resource efficiency.

Sunway's Key Physical Risks and Response Measures

Risk Type	Risk Factor	Risk Description	Potential Financial Impact	Risk Impact Period (Short, Medium, Long)	Risk Response Measures
Acute Risks	Typhoon	Extreme weather causing water and power outages	Sunway's operational sites in Shenzhen are vulnerable to extreme weather events such as typhoons, which may lead to power outages, flooding, and other disruptions, potentially causing safety incidents or halting R&D and production activities, thereby increasing operational costs.	Short-term	**Sunway has established a robust environmental risk emergency plan, annually identifying and reviewing potential physical risks. At facilities exposed to physical risks, comprehensive response mechanisms and emergency material reserves have been implemented, with regular updates to response strategies. Cross-functional departments collaborate to ensure production continuity.**
	Fire	Fires causing casualties and damage	Sunway's operational sites in Shenzhen, Changzhou, and other locations are susceptible to fire-related risks, which may result in power outages, casualties, and equipment damage, leading to safety incidents or interruptions in R&D and production, thereby increasing operational costs.	Short-term	
	Extreme Weather	Extreme weather causing water and power outages	Extreme precipitation may impact suppliers' production and transportation processes within the supply chain, requiring the deployment of contingency plans, which could increase operational costs.	Short-term	
Chronic Risks	Biological Pandemic	Disease spread and operational shutdowns	Biological pandemics may disrupt production processes, potentially increasing operational costs.	Short-term	
	Sea Level Rise	Accelerated glacier melting and sea level rise due to global warming	Sunway's primary operational sites in southern coastal China and Vietnam are at risk of damage from sea level rise, threatening operational facilities.	Long-term	
	Water Resource Risks	Water shortages and operational shutdowns	Global warming increases water resource risks, including heightened risks of river flooding and flash floods. Sunway's production and R&D centers in Shenzhen face certain flood risks, which could damage operational sites, factory infrastructure, and related facilities, leading to financial losses.	Long-term	

Sunway's Key Transition Risks and Response Measures

Risk Type	Risk Description	Potential Financial Impact	Risk Impact Period (Short, Medium, Long)	Risk Response Measures
Policy and Compliance Risks	In the context of China's "dual carbon" goals, increasingly stringent national policies, regulations, and standards pose compliance risks if the company fails to respond effectively.	Increased costs for energy transition and carbon reduction.	Long-term	**Proactively develop and implement a low-carbon strategy, establish energy-saving and carbon reduction projects, and prepare proactive response measures.**
Market Risks	"Carbon neutrality" and "carbon reduction" have become global consensus, with growing customer demand for methods to reduce their carbon footprint. Market trends are shifting toward green and low-carbon products, with customers increasingly requiring green product certifications and other carbon footprint-related requirements.	Failure to meet customer demands may lead to reduced demand for goods and services, impacting company revenue.	Long-term	**Conduct annual ISO 14064 inventory and certification.**
Technological Risks	Existing technologies may not meet customers' energy-saving product requirements.	Sustained investment in green product R&D will increase R&D and operational costs.	Long-term	**Sunway allocates no less than 8% of annual revenue to R&D, continuously recruiting top talent to enhance technological competitiveness.**

Metrics and Targets

In alignment with China's "3060" carbon peak and carbon neutrality goals, and to drive the industry's green and low-carbon transition, Sunway established an ambitious target in 2023 to achieve carbon neutrality by 2030. In the same year, the company actively responded to the Science Based Targets initiative (SBTi) by committing to emission reduction pathways aligned with the 1.5° C temperature control target, formalizing this pledge through a signed commitment letter.

We recognize that achieving carbon neutrality is not solely the responsibility of the enterprise but requires collaborative efforts across the entire value chain. Consequently, we place significant emphasis on carbon emission reduction initiatives within our value chain. Each year, we proactively collaborate with suppliers, sharing low-carbon technologies and management expertise to encourage their participation in carbon reduction actions and enhance their emission reduction capabilities. Furthermore, we have integrated carbon reduction requirements into our supplier performance evaluation system, rigorously assessing suppliers' carbon reduction performance during system audits and new supplier certifications. This approach incentivizes suppliers to actively engage in carbon reduction efforts. Through close communication and in-depth collaboration with value chain partners, Sunway is working hand in hand with stakeholders to advance toward a carbon-neutral future.

Carbon Emissions Monitoring

Sunway's production facilities are distributed across various global regions, and in the pursuit of building green factories, energy conservation and emission reduction are critical focus areas. Sunway's production facilities are distributed across various global regions, and in the pursuit of building green factories, energy conservation and emission reduction are critical focus areas. To enhance management effectiveness in achieving our targets and accurately track carbon reduction performance, we have established a comprehensive greenhouse gas management system in accordance with the ISO 14064:2018 standard. A series of carbon emission-related regulations and policies have been formulated, and our subsidiaries are continuously engaged in thorough carbon inventory assessments. Through scientific and rigorous carbon inventories, we gain a comprehensive understanding of Sunway's greenhouse gas emission levels. This provides robust data support for identifying high-emission processes and potential reduction opportunities, enabling the development of targeted and practical energy-saving and emission reduction measures, thereby strengthening the foundation for our sustainability efforts.

Moreover, we uphold a rigorous and responsible approach by engaging third-party professional organizations to conduct annual audits of direct and indirect greenhouse gas emissions within Sunway's operational control scope. These organizations are required to issue third-party verification statements, introducing external professional oversight to ensure the accuracy and reliability of our greenhouse gas emission data.

In 2024, Sunway's Scope 1 and Scope 2 (market-based) greenhouse gas emissions totaled 48,750.49 tonnes CO_2e, a 41.81% reduction compared to 2023. The combined Scope 1, Scope 2, and Scope 3 (market-based) greenhouse gas emissions amounted to 181,115.43 tonnes CO_2e, reflecting a 6.92% decrease from 2023.

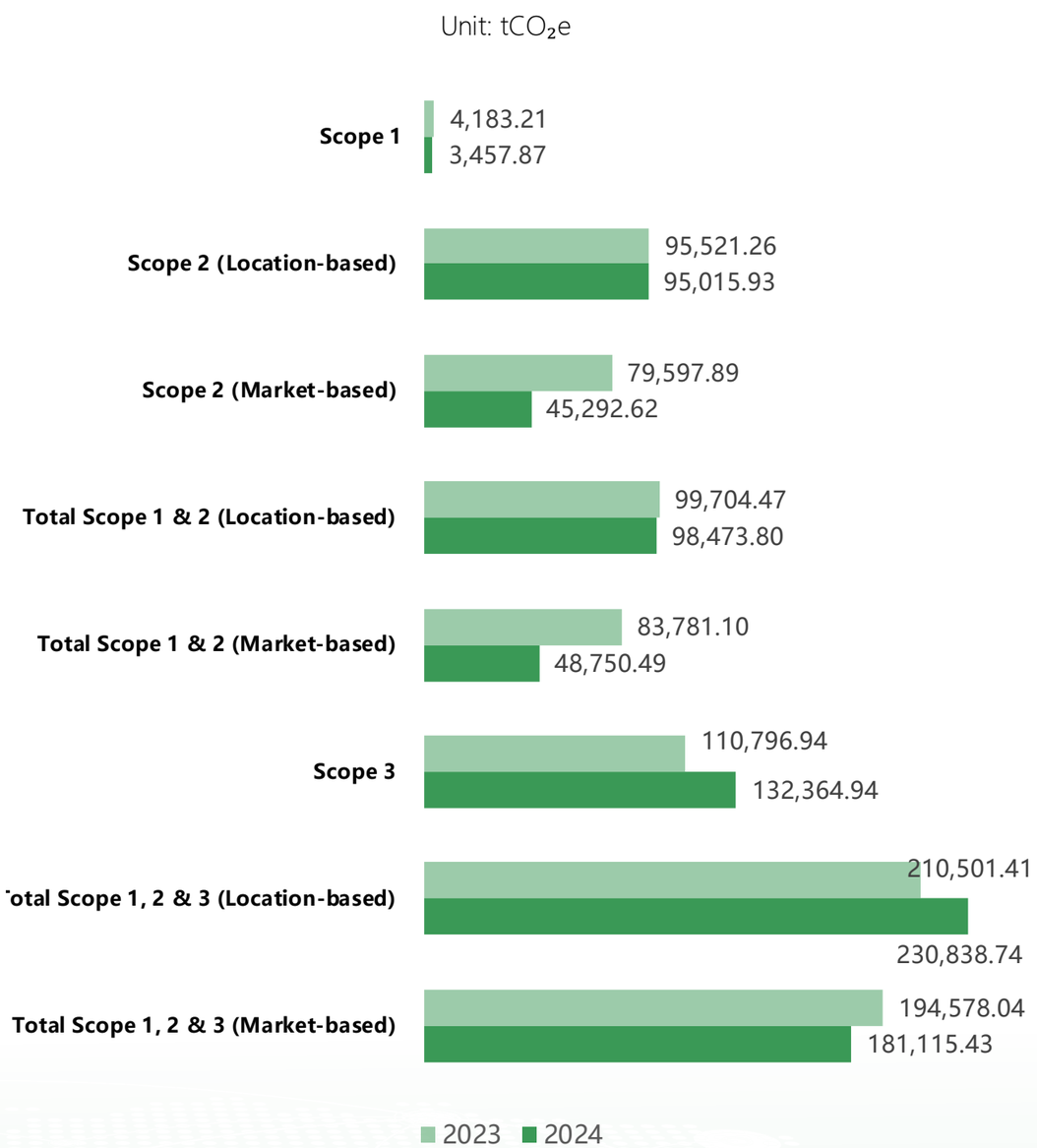
Notes:

1. Scope 1 emissions are direct emissions from resources owned and controlled by the company.

2. Scope 2 emissions are indirect emissions generated from purchased energy (including electricity, steam, etc.).

3. Scope 3 emissions encompass all indirect emissions occurring in the reporting company's value chain (excluding those included in Scope 2).

Sunway's Greenhouse Gas Inventory, 2023–2024



Notes:

1. Greenhouse gases inventoried include: CO_2 (carbon dioxide), CH_4 (methane), N_2O (nitrous oxide), HFCs (hydrofluorocarbons), PFCs (perfluorocarbons), SF_6 (sulfur hexafluoride), NF_3 (nitrogen trifluoride).

2. Inventory scope: Shenzhen Campus, Jiangsu Campus, Beijing Campus.

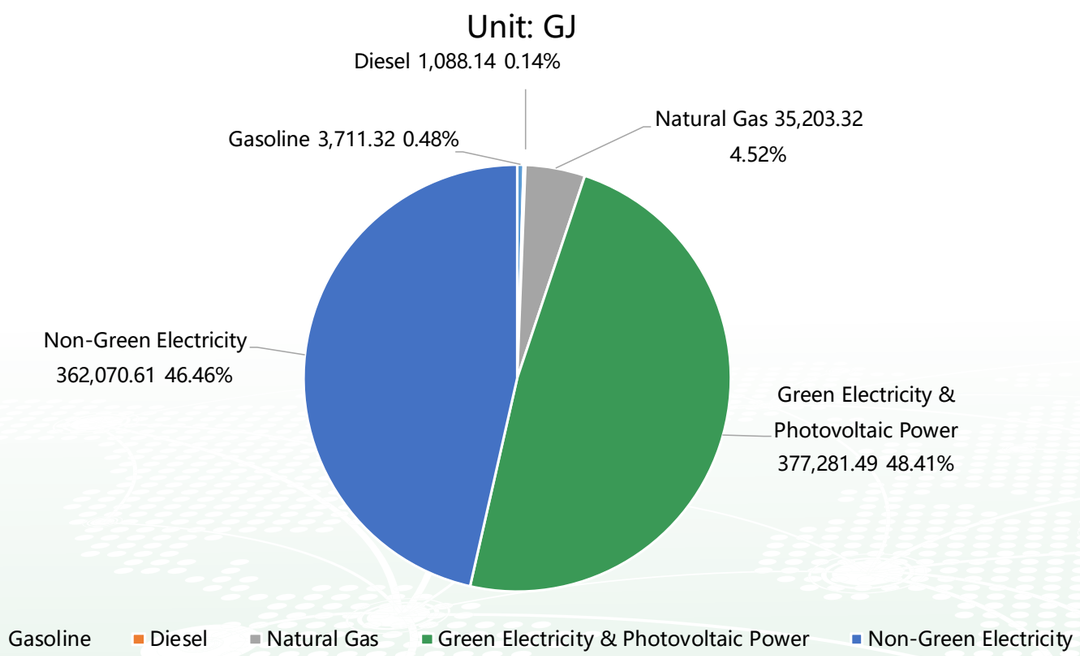
Energy Management

Energy management serves as a critical component in implementing green and low-carbon manufacturing principles, representing a key focus for advancing enterprises toward low-carbon development. Sunway strictly adheres to energy management-related laws and regulations, such as the Energy Conservation Law of the People's Republic of China. We continuously refine our energy management system, establishing systematic documents such as the Energy and Resource Management Procedures to record and monitor energy consumption. Through strategic planning of various energy types, we consistently optimize our energy management system, striving to promote the in-depth development of green and low-carbon manufacturing while ensuring normal business operations, thereby contributing to the achievement of sustainable development goals.

Sunway's energy consumption encompasses multiple sources, including electricity, diesel, gasoline, and natural gas. In terms of electricity, Sunway relies on municipal power grids to ensure a stable supply, meeting the essential electricity demands for industrial production and employee daily life. Concurrently, we actively explore green energy utilization by generating electricity through on-site photovoltaic equipment and purchasing green electricity. By fully leveraging solar energy as a clean energy source, we further optimize our energy structure, reduce dependence on traditional energy, and inject new momentum into green production.

In 2024, Sunway's total energy consumption amounted to 735,145.21 GJ, with electricity consumption reaching 739,352.10 GJ. Of this, photovoltaic power generation and purchased green electricity accounted for 377,281.49 GJ, representing 48.41% of total energy consumption.

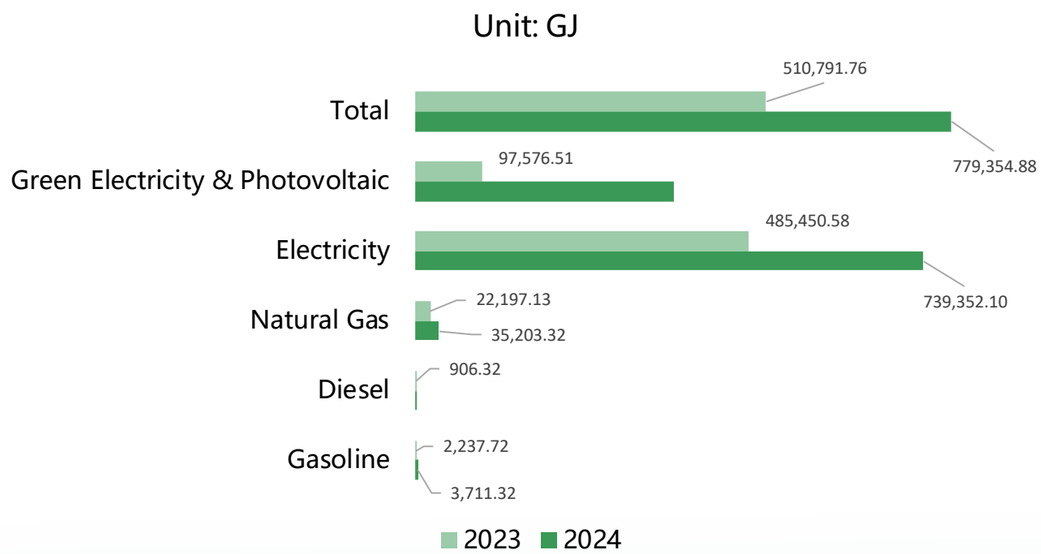
Sunway's Energy Consumption in 2024



Overview of Sunway's Energy Consumption in 2024

Category	Energy Type	Unit	Consumption
Non-Renewable Energy	Purchased Electricity	kWh	193,095,119.80
	Natural Gas	Cubic Meters	904,249.00
	Diesel	L	29,665.28
	Gasoline	L	119,679.86
Renewable Energy	Photovoltaic Power/Green Electricity	kWh	102,612,413.00
Total	/	GJ	735,145.21

Sunway's Internal Energy Consumption, 2023–2024



Notes: The formula and calorific values for energy intensity conversion to gigajoules (GJ) are as follows:

Electricity calorific value: 3,600 kJ/kWh; Gasoline calorific value: 43,070 kJ/kg, with 1 liter of gasoline approximately 0.72 kg; Diesel calorific value: 42,652 kJ/kg, with 1 liter of diesel approximately 0.86 kg; Natural gas calorific value: 38,931 kJ/m³

Energy Conservation and Carbon Reduction

Technical Carbon Reduction

Sunway has undertaken a comprehensive review of the energy structure across all production processes, identifying opportunities for energy conservation and consumption reduction. Through precise analysis, we have implemented targeted energy-saving retrofit projects, ranging from upgrading production equipment to optimizing manufacturing processes. These initiatives have effectively reduced energy consumption, steadily improved our energy structure, and consistently injected new momentum into Sunway's green development.

For example, at Sunway (Jiangsu) Co., Ltd., 12 projects were planned for implementation in 2024. These efforts achieved energy-saving and cost-reduction targets amounting to 6.2926 million CNY, saving 22.509 million kWh of electricity and reducing carbon emissions by 18,557 tonnes.

CASE Jiangsu Sunway Free Cooling Project for HVAC Machine Room

A plate heat exchanger (PCW) was installed at the front end of the air conditioning chiller's return water system. During winter, the plate heat exchanger pre-cools the return water by 3° C, reducing the chiller's energy consumption.

Annual Electricity Savings: 511,000 kWh

CO_2 Equivalent Reduction: 274.20 tonnes

Equivalent to Planting: 15,233 trees (Based on research by the National Forestry Administration, one tree absorbs and stores 4–18 kg of CO_2 annually, equating to an 18 kg reduction in carbon emissions ≈ planting one tree)

CASE Jiangsu Sunway 400RT Chiller Replacement Project

The HVAC machine room replaced an existing Level 3 energy efficiency chiller with a Level 1 energy efficiency chiller. The Level 3 chiller was relocated to the R&D building as a backup unit.

Annual Electricity Savings: 336,600 kWh

Carbon Emissions Reduction: Equivalent to 180.62 tons of CO_2e.

Equivalent to Planting: 10,034 trees (Based on research by the National Forestry Administration, one tree absorbs and stores 4–18 kg of CO_2 annually, equating to an 18 kg reduction in carbon emissions ≈ planting one tree)

Utilization of Clean Energy

Increasing the proportion of renewable energy is a critical strategy for achieving our carbon reduction goals. On one hand, we leverage photovoltaic power generation facilities at our manufacturing sites to enhance the use of green electricity in production operations. On the other hand, we actively participate in green electricity market transactions, offsetting carbon emissions from electricity consumption by purchasing green power certificates and other mechanisms.

During the reporting period, Sunway's clean energy usage, primarily from photovoltaic power generation and green electricity, totaled approximately 104,800,413.00 kWh, equivalent to 377,281.49 GJ, accounting for 51.03% of total electricity consumption. Notably, the Shenzhen region achieved 100% green electricity usage.

CASE Jiangsu Sunway Joins Photovoltaic Energy Program

The 11 MW distributed photovoltaic power generation project at Jiangsu Sunway was officially commissioned in January 2024. During the reporting period, it generated 9,563,223 kWh of clean electricity. As Sunway's first successfully operational distributed photovoltaic project, its successful commissioning represents a significant step in aligning with national sustainable development goals. This initiative not only enhances the company's social image but also reduces reliance on grid electricity, lowers costs, and achieves a "win-win" outcome for both environmental and economic benefits.

Resource Conservation and Leading Low-Carbon Operations

Water Resource Management

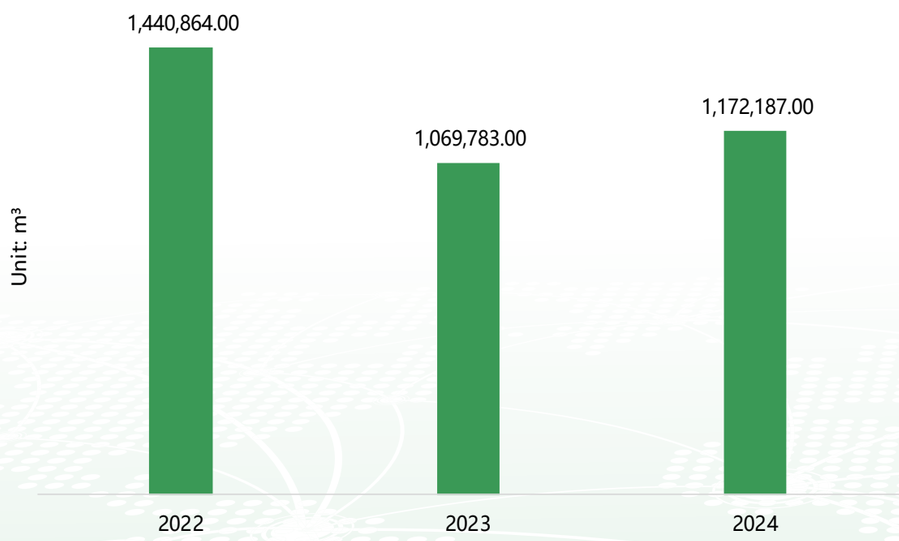
Water Resource Utilization

Water resource management is a critical component of Sunway 's sustainability strategy and a key practice in fulfilling our environmental commitments.

All water resources utilized by Sunway are sourced from municipal water supplies, with no operations in water-stressed regions or significant impacts on water resources due to extraction, consumption, discharge, or storage changes. Water is primarily used for employee welfare and production processes. Sunway adheres strictly to water resource protection laws and regulations, such as the Water Law of the People's Republic of China, in all operational locations. Internally, we have established policies such as the Energy and Resource Management Procedures to guide water resource protection. These policies outline our overarching water resource management strategy, objectives, and action plans, standardizing and advancing water resource management across our operations and supply chain.

During the reporting period, Sunway's total water withdrawal amounted to 1,172,187.00 m³. We closely monitor and analyze this data, continuously refining our water resource management strategies to achieve efficient utilization and sustainable development of water resources.

Water Withdrawal by Sunway, 2022–2024



Note: The 2024 data includes water usage from the Sunway Vietnam facility.

Water Resource Risk Assessment and Response Measures

In recent years, climate change has led to increasingly frequent extreme weather events, heightening water resource risks such as water scarcity and deteriorating water quality. These challenges may result in water shortages, pollution, and other issues. Identifying and understanding water resource risks is crucial for developing effective management strategies, protecting aquatic ecosystems, and ensuring environmentally sustainable development.

Guided by a strong sense of social responsibility and environmental stewardship, Sunway actively engages in water resource protection initiatives. To mitigate water resource pressures, we have identified potential risks to the water environment, including industrial wastewater pollution, domestic sewage pollution, wastewater leaks, and ruptured sewage pipelines. Through proactive early warning systems, the development of emergency response plans, and continuous optimization of management measures, we strive to minimize the impact of these risks, contributing to water resource conservation and upholding Sunway's commitment to green development.

Sunway's Water Environment Risks and Mitigation Measures

Water Environment Risk Type	Potential Risks	Measures Taken	Outcomes Achieved
Industrial Wastewater Pollution Risk	Pollution of rivers due to industrial wastewater.	• Implementation of reclaimed water reuse facilities with open channels and pipes; • Installation of secondary anti-leakage measures for reclaimed water reuse facilities.	Ensured compliant treatment and reuse of industrial wastewater, with secondary anti-leakage measures preventing river pollution risks.
Domestic Sewage Pollution Risk	Pollution of rivers due to domestic sewage.	• Separation of rainwater and sewage pipe networks, with domestic sewage discharged into municipal networks; • Daily inspections of rainwater outlets, with emergency response measures activated for anomalies; • Installation of gate valves at the end of rainwater pipe networks.	Effective rainwater-sewage separation and interception measures at the end of rainwater pipe networks, preventing river pollution risks.
	Risk of non-compliant emissions.	• Domestic sewage treated in industrial zone septic tanks before being discharged into municipal sewage treatment plants via sewage networks for advanced treatment.	Ensured compliant treatment and discharge of domestic sewage.
Wastewater Leakage Risk	Environmental pollution from faulty interception facilities at rainwater discharge outlets, allowing firefighting wastewater, initial rainwater, or leaked substances to flow into the external environment via rainwater pipelines.	• Deployment of a comprehensive and efficient emergency response system; • Placement of emergency retention ponds at rainwater system discharge outlets, managed by dedicated personnel and equipped with emergency supplies; • Adoption of wet-dry separation in electroplating workshops, with process wastewater collected separately.	Prevented environmental pollution incidents.
Sewage Pipeline Rupture Risk	Pollution incidents due to ruptured or leaking wastewater pipes in the facility without collection or transfer systems.	• Installation of leakage collection ponds in wastewater pipe trenches within the facility; • Assignment of dedicated personnel for management, regular inspections, and maintenance of facilities.	Prevented environmental pollution incidents.

Water Conservation

Water is a vital resource for production, and excessive water use can have detrimental impacts on communities and the environment. Sunway proactively strengthens its water management practices and adopts tailored measures to minimize water extraction and usage in production operations, eliminating all forms of water waste.

On one hand, we actively conduct water conservation awareness campaigns, vigorously promoting the concept of water saving and fostering a culture of collective participation. These efforts aim to deeply embed water conservation consciousness among all employees.

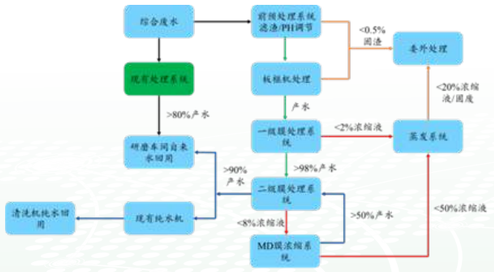
On the other hand, Sunway optimizes its water usage structure by prioritizing water-efficient production processes and equipment to reduce water consumption at the source. We undertake technical upgrades to water-intensive equipment, streamline process flows, and enhance water conversion efficiency. Additionally, we place significant emphasis on the cyclic reuse of cooling water, condensate, and other water resources, establishing robust water recycling systems to enable multiple rounds of water reuse.

During the reporting period, Sunway recycled a total of 71,588 m³ of water.

CASE **Shenzhen Sunway Water Recycling Process**

In the realm of water recycling and reuse, Shenzhen Sunway has implemented a scientifically efficient treatment process encompassing pretreatment, membrane treatment (intermediate processing), and a low-temperature evaporation system.

The pre-treatment system, consisting of a pH adjustment tank, sedimentation tank, and spray paint residue separation equipment, regulates pH and facilitates the sedimentation of large particulate matter, providing protection to the subsequent membrane system. The primary ultrafiltration (UF) membrane primarily removes suspended solids and a small amount of chemical oxygen demand (COD) from wastewater, achieving a suspended solids removal rate of over 90% and a COD removal rate of less than 30%. The reverse osmosis (RO) membrane system effectively removes COD, biochemical oxygen demand (BOD), inorganic nutrients (nitrogen and phosphorus), ammonia nitrogen, and metal ions, with a removal rate exceeding 95%. The membrane concentration system further reduces the volume of concentrate, enhancing water production rates and minimizing concentrate volume through UF and RO membrane processes. The low-temperature evaporation system processes the membrane concentrate, generating a small amount of solid waste or viscous liquid for outsourced treatment. This integrated process enables 100% recycling of industrial wastewater, achieving the goal of zero industrial wastewater discharge.



Water Reuse Technology at Sunway

On-Site Images

Sunway's Water Conservation Management Measures

Water Usage Inspections	Regular inspections of water-using equipment and pipelines are conducted. Any instances of leaks, drips, or overflows are promptly reported by responsible personnel to prevent water waste.
Water Consumption Monitoring	Monthly water usage is tracked, with anomalies investigated and targeted measures implemented to address fluctuations.
Water Conservation Awareness	Information on water conservation is disseminated through bulletin boards and other channels to educate employees and enhance awareness.

Sunway's Water Conservation Measures in 2024

Water Conservation Measure	Specific Action	Quantity	Annual Water Savings (Tonnes)
Toilet Cisterns and Flush Valves	Self-priming toilets	268 units	2,428.08
	Fixed-volume cistern flushing	1,170 units	10,600.20
Urinal Sensor and Valve Control	Sensor-controlled solenoid valves	72 units	217.44
	Rebound-type flush valves	288 units	869.76

Waste Management

Waste Management

Sunway adopts a highly responsible approach to the safe and rational disposal of waste generated from its operations. In accordance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, we have developed and implemented management protocols, including the Waste Management Procedures. Our waste management practices adhere to three core principles: reduction, resource recovery, and harmless disposal. These principles guide our comprehensive waste management framework, which encompasses seven key areas: training and awareness, solid waste collection, waste transfer management, waste storage management, waste disposal, waste tracking, and waste reduction. We implement strict classification and collection processes for various waste types, including hazardous waste, non-recyclable waste, recyclable waste, and kitchen waste from canteens, ensuring that all categories of waste are disposed of in compliance with applicable regulations.

During the reporting period, Sunway achieved 100% compliant disposal of all generated waste, meeting our established targets.

Sunway Waste Types and Disposal Methods

Category	Type	Storage	Disposal Method
Hazardous Waste (including Dangerous Waste)	Waste with toxic or hazardous properties, including waste liquids, sludge, empty chemical containers from various processes, waste activated carbon, and chemical-contaminated materials.	Stored in designated hazardous waste storage facilities.	• Handed over to qualified third parties for harmless treatment.
General Solid Waste (Non-Recyclable)	Waste generated from production processes.	Collected, classified, and stored in waste bins (regularly cleared).	• Handed over to qualified third parties for harmless treatment.
General Solid Waste (Recyclable)	Waste suitable for recycling and resource recovery, including trays, waste cardboard, promotional paper, office paper, and plastic waste.	Collected and classified for storage.	• Trays and other packaging materials are returned to suppliers for reuse; • Waste cardboard is recycled and reused by Sunway; • Other recyclable waste is handed over to qualified third parties for recycling and reuse.
Domestic Waste	Household waste, sewage, or other waste not related to production processes within the facility.	Collected, classified, and stored in waste bins (regularly cleared).	• Handed over to qualified third parties for harmless treatment.

Sunway Hazardous Waste Temporary Storage Facility

Waste Classification Collection Bins

To effectively mitigate the potential environmental risks posed by hazardous waste, Sunway conducts a thorough review of all stages of hazardous waste generation and storage, accurately identifying potential risk factors. For each identified risk, we have established targeted control measures to minimize environmental impact.

These drills simulate real-world scenarios to ensure employees are proficient in emergency response procedures and can effectively handle unexpected incidents. Additionally, we provide ongoing waste management training, covering topics such as the classification, characteristics, and handling methods of hazardous waste, as well as relevant laws and regulations. This comprehensive training enhances employees' waste management capabilities, laying a solid foundation for the efficient execution of Sunway's hazardous waste management initiatives.

Sunway Hazardous Waste Risks and Control Measures

Location/ Equipment/ Activity	Risk Description	Potential Incident Type	Control Measures
Hazardous Waste	Leakage or fire in the hazardous waste warehouse leading to pollution spreading to the external environment.	Pollution Incident	**1.** Implement separate and classified collection; **2.** Establish hazardous waste temporary storage points with rainproof and leak-proof facilities; **3.** Store liquid and semi-liquid hazardous waste in sealed containers; **4.** Display instructional signs; **5.** Develop safety training and hazardous waste handling guidelines; **6.** Conduct regular inspections, monitor liquid levels, install containment bunds, and maintain emergency supplies such as absorbent materials.

CASE Element Chemical Spill & Hazardous Waste Emergency Drill

On the afternoon of July 19, 2024, Element organized a chemical and hazardous waste spill emergency response drill for relevant manufacturing department employees. The drill enhanced employees' overall emergency response capabilities but also revealed shortcomings. For instance, the rescue team had pre-worn protective suits before the drill, failing to reflect the urgency of a real incident. Additionally, the drill did not involve all personnel handling hazardous chemicals, falling short of full participation. To address these issues, an improvement plan was developed, including enhanced training on chemical spill response protocols and coordination across departments to ensure company-wide participation in future drills.

CASE Sunway Communication Hazardous Waste Compliance Training

During the reporting period, Sunway conducted a Hazardous Waste Compliance Management Training session for 260 workshop supervisors and above in the training room. The comprehensive and in-depth training focused on hazardous waste categories, covering management requirements for generation, storage, handling, and disposal, as well as relevant legal and regulatory requirements. Through this training, employees significantly improved their capabilities in standardized hazardous waste management.

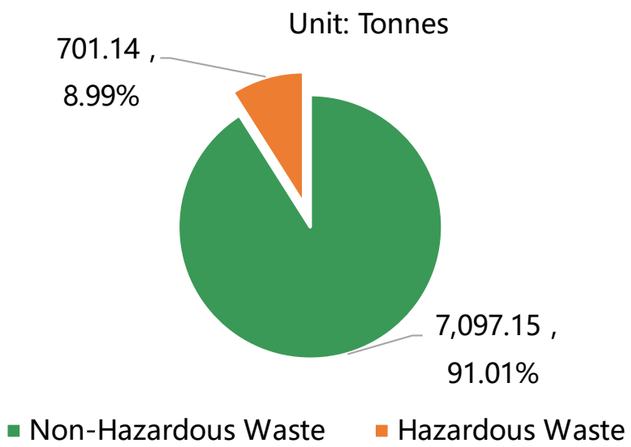
Waste Emissions

For non-hazardous waste, we primarily categorize it into office waste, domestic waste, and general solid waste such as waste cardboard used in production processes. We implement classified collection and processing for various types of non-hazardous waste to ensure recyclable materials are reused. General domestic waste is managed by the administrative department, which arranges for licensed waste collection companies to handle it, with records maintained. Kitchen waste is managed in accordance with the Canteen Supplier Management Regulations, transferred to qualified processing units contracted with the canteen for recycling in compliance with relevant legal requirements, with records retained.

For hazardous waste, Sunway strictly adheres to the National Hazardous Waste List for identification. Hazardous waste generated in daily production includes discarded chemical containers, used filter cartridges, cleaning waste liquids, and glue-contaminated rags and gloves. Hazardous waste is transferred from each workshop to hazardous waste warehouse personnel in quantities recorded in the Hazardous Waste Disposal Registration Form. Warehouse personnel are responsible for documenting received quantities. We engage third-party companies with hazardous waste operating permits to regularly handle compliant disposal of hazardous waste.

During the reporting period, Sunway generated a total of 7,798.29 tonnes of waste, comprising 7,097.15 tonnes of non-hazardous waste and 701.14 tonnes of hazardous waste.

Waste Emissions: Sunway Waste Generation in 2024



Waste Reduction

Sunway consistently prioritizes waste reduction as a cornerstone of its commitment to green development. At the beginning of each year, relevant departments collaborate to formulate a waste reduction plan, setting a clear direction for the year's efforts. Following each waste disposal cycle, we promptly conduct statistical analyses, comparing current data with previous years. Should indicators show an upward trend, we immediately undertake in-depth analysis and develop targeted improvement plans to ensure compliance with established targets. In practice, we leverage the synergistic effects of management and technological approaches, working in tandem to drive waste minimization and advance the company's green development agenda.

Notably, Sunway set a hazardous waste reduction target for 2024: hazardous waste generation per 10,000 CNY of output value ≤ 0.00075 tonnes. The actual performance was 0.00065 tonnes per 10,000 CNY, achieving the target. Sunway Chuangke implemented measures such as reducing the volume of chemical plating solution tanks, minimizing the use of chemical plating solutions, and reducing hazardous waste (including chemical plating waste liquid, sludge, and empty containers), achieving a 2% reduction in hazardous waste. Sunway Jiangsu focused on source control to minimize hazardous waste generation, prioritizing resource recovery, segregating and cleaning solid waste to avoid increased hazardous waste due to mixed storage, resulting in a hazardous waste reduction of 47.50 tonnes.

Sunway's Waste Reduction Initiatives and Outcomes

Initiative	Key Actions	Outcomes
Collaboration with Packaging Suppliers	Established close partnerships with packaging suppliers, enabling regular feedback and communication to return packaging materials such as cardboard boxes and trays to suppliers for reuse.	Reduced usage of packaging materials, leading to decreased waste generation.
Management Measures	Deployed clearly labeled, color-coded waste bins tailored to facility needs, categorized into recyclable waste, hazardous waste, kitchen waste, and other waste, with dedicated personnel responsible for regular cleaning and sorting.	Enabled recycling and reuse of recyclable materials, effectively reducing waste volume, environmental pollution, and reliance on natural resource extraction.
Awareness Raising	Promoted green office practices, encouraging reduced use of disposable cups and takeout containers while advocating for reusable items.	Contributed to reduced waste generation.

Circular economy

China is vigorously advancing ecological civilization, with the circular economy recognized as a critical pathway for green development, supported and guided by robust national policies. Legislation such as the Circular Economy Promotion Law and strategic plans, including the "dual carbon" goals, encourage enterprises to adopt circular economy principles in resource utilization, waste management, and energy management. These efforts drive industrial green transformation and foster a resource-efficient, environmentally friendly society. The circular economy, characterized by resource conservation and recycling, promotes harmonious coexistence with nature, aiming to shift from a linear economic model by preventing pollution and waste at the design stage.

Sunway actively responds to national policy directives, aligning with the development of the circular economy. Through practical actions such as waste reuse, waste reduction, and energy regeneration via

waste heat recovery, we contribute to advancing this green development model.

During the reporting period, Sunway recycled and reused a total of 2,876.92 tonnes of waste, comprising 2,868.65 tonnes of non-hazardous waste and 8.27 tonnes of hazardous waste.

In 2024, we integrated resource recycling with sustainable development, actively embodying green and environmental principles, and achieved significant results in waste recycling and reuse.

CASE **Sunway Chuangke General Waste Recycling Measures and Performance**

Sunway Chuangke exemplifies robust waste recycling practices. Internally, approximately 2.63 tonnes of cardboard boxes are reused across various production stages and logistics processes, significantly reducing the need for new cardboard procurement. Additionally, 77.58 tonnes of trays (approximately 902,093 units at 0.086 kg each) are circulated internally through an efficient reuse mechanism, greatly enhancing resource utilization efficiency. Externally, Sunway Chuangke collaborates with qualified third-party recyclers, recovering 796,746 trays (68.52 tonnes at 0.086 kg each). These trays undergo cleaning and sanitization processes, enabling their reuse by other enterprises, which reduces packaging costs and minimizes resource waste. For general waste with recycling potential, meticulous sorting and recycling efforts yielded 54.90 tonnes of waste paper (including cardboard, tapes, and release paper), which is reintroduced into the papermaking process for resource regeneration. Additionally, 9.26 tonnes of waste foam were recycled, reducing landfill volumes, and 28.21 tonnes of scrap and clean materials were recovered, reprocessed, and repurposed for use in relevant production stages.

CASE **Sunway Jiangsu Centrifugal Air Compressor Heat Recovery Project**

Sunway Jiangsu implemented an Energy Recovery Heat (ERH) system on three centrifugal air compressors, capturing heat from the first and second compression stages. This recovered heat is utilized in hot water boiler rooms to replace winter workshop heating and preheat water for steam boiler rooms. This initiative significantly enhances overall energy efficiency, reduces natural gas consumption, lowers energy costs, and optimizes the company's energy structure, marking a substantial step toward green, low-carbon production.

Calculations indicate a heat recovery rate of 50%, In 2024, this resulted in savings of 189,600 m³ of natural gas, equivalent to an annual saving of 233 tons of standard coal.

Compliant Emissions and Safeguarding the Ecological Environment

Compliant Emissions

At Sunway, compliant emissions form an unwavering cornerstone of our environmental management system. We regard minimizing the impact of pollutant emissions on surrounding environments as a critical mission, implementing a series of effective measures to build a "green factory."

Sunway adheres strictly to laws and regulations, including the Environmental Protection Law of the People's Republic of China, Air Pollution Prevention and Control Law, Water Pollution Prevention and Control Law, and Noise Pollution Prevention and Control Law. We have established the Waste Gas, Wastewater, and Noise Management Procedures to ensure that emissions of wastewater, waste gas, and noise fully comply with national regulatory standards. By leveraging advanced environmental technologies and scientific management practices, we minimize the potential pollution and adverse effects of wastewater, waste gas, and noise on production sites, surrounding environments, and human health, striving to prevent environmental pollution incidents and achieve our established environmental policies, goals, and targets.

In the site selection and environmental impact assessment phases for new projects, Sunway adopts a prudent and responsible approach, comprehensively evaluating the potential impacts of pollutants on the atmospheric environment and local communities. Through scientific process planning and strategic deployment of end-of-pipe treatment facilities, we conduct thorough assessments and meticulous arrangements to prevent adverse effects on employees and local residents from the outset.

During the reporting period, all Sunway production facilities achieved a 100% compliance rate for wastewater, waste gas, and noise emissions. Notably, Sunway and Sunway Jiangsu achieved 100% industrial wastewater recycling, attaining "zero" industrial wastewater discharge. These efforts set a benchmark for green development in the industry, underscoring Sunway's steadfast commitment and remarkable achievements in environmental protection.

Wastewater Management

Sunway places paramount importance on wastewater treatment and discharge management within its operational framework. The primary sources of wastewater at Sunway include domestic sewage and industrial wastewater, with key pollutants encompassing Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD_5), Suspended Solids (SS), Total Phosphorus, Total Nitrogen, and Ammonia Nitrogen. To fulfill our environmental responsibilities and ensure compliance with discharge regulations, all Sunway facilities have obtained discharge permits. We employ advanced wastewater treatment and reuse technologies to ensure that all treated wastewater meets national discharge standards before being released into municipal sewage networks for further processing at secondary treatment plants, thereby minimizing environmental impact.

Wastewater Treatment Processes at Sunway Production Facilities

Company	Wastewater Type	Water Pollutants Involved	Wastewater Treatment Process
Sunway	Industrial Wastewater	SS, COD, BOD_5, etc.	Pretreatment → Membrane Treatment → Low-Temperature Evaporation
	Domestic Sewage		Discharged to Municipal Sewage Network
Jiangsu Sunway	Industrial Wastewater		Pretreatment → Activated Sludge (AO) Process → Membrane Bioreactor (MBR) → Wastewater Reuse System
	Domestic Sewage		Discharged to Municipal Sewage Network
Sunway Chuangke	Industrial Wastewater (Acidic)		Alkaline Neutralization → Coagulation and Flocculation → Sludge Sedimentation
	Domestic Sewage		Grid → Equalization Tank → Primary Biochemical Tank → Secondary Biochemical Tank → Sedimentation Tank → Effluent Tank
Weishi Technology	Domestic Sewage		Discharged to Municipal Sewage Network
Vietnam Sunway	Domestic Sewage		Domestic Sewage → Equalization Tank → Sequencing Batch Reactor (SBR) → Disinfection Tank → Industrial Wastewater Treatment System

Sunway is committed to reducing wastewater generation and discharge through a series of effective measures. First, we focus on the production front-end by optimizing processes and equipment configurations to minimize wastewater generation at the source. Second, we actively pursue wastewater recycling initiatives, constructing reclaimed water systems and leveraging advanced technologies to enhance wastewater recovery rates, thereby promoting the circular use of water resources. Finally, to ensure compliant discharges, we have established an online platform for real-time monitoring and management of wastewater emissions, rigorously controlling every stage of the discharge process to align with relevant regulatory standards, thereby comprehensively supporting Sunway's green development objectives.

Furthermore, to enhance the compliance and safety of sewage discharges, we regularly engage third-party institutions with professional qualifications to conduct comprehensive and meticulous testing of wastewater emissions. These institutions provide detailed and accurate reports, offering robust data support and professional assurance for Sunway's wastewater management practices.

During the reporting period, all Sunway production facilities achieved a 100% compliance rate for wastewater discharges, with no instances of regulatory violations. A total of 997,065.55 m^3 of domestic sewage and 27,149.60 m^3 of industrial wastewater were discharged.

2024 Wastewater Quality Compliance at Sunway Facilities

Region	Key Water Quality Indicator	Unit	Regulatory Standard	2024 Discharge Status	Target Achievement
Sunway Shenzhen	pH	Dimensionless	6-9	8.2	√
	COD	mg/L	≤ 500	178	√
	BOD_5	mg/L	≤ 300	40	√
Jiangsu Sunway	pH	Dimensionless	6-9	7.1	√
	COD	mg/L	≤ 300	95	√
	Ammonia Nitrogen	mg/L	≤ 35	2.59	√
	SS	mg/L	≤ 250	26	√
Sunway Chuangke	pH	Dimensionless	6-9	7.46	√
	COD	mg/L	≤ 500	48.42	√
	Ammonia Nitrogen	mg/L	45	1.68	√
Weishi Technology	pH	Dimensionless	6-9	7.6	√
	COD	mg/L	≤ 300	242	√

Notes:

1. pH: Hydrogen Ion Concentration Index; COD: Chemical Oxygen Demand; BOD_5: Five-Day Biochemical Oxygen Demand; SS: Suspended Solids.

CASE Sunway Achieves Zero Industrial Wastewater Discharge

Sunway has implemented a sophisticated reclaimed water process comprising a primary membrane treatment system, a secondary membrane treatment system, an MD membrane concentration system, and an evaporation system. Industrial wastewater is treated to meet compliance standards and reused in production lines, while residual water is concentrated through evaporation and handed over to qualified third-party entities for disposal.

In 2024, Sunway generated 11,647 m³ of industrial wastewater, all of which was treated and recycled, achieving a 100% recovery rate and zero industrial wastewater discharge.

CASE Sunway Jiangsu Enhances Wastewater Reuse with New 15T System

In 2024, to reduce industrial wastewater discharge and enhance reclaimed water treatment capacity, Sunway Jiangsu leveraged existing infrastructure to install an advanced wastewater reuse system. This system includes a 10 m³/h ultrafiltration unit, a 15 m³/h ultrafiltration unit, a 15 m³/h reverse osmosis unit, a 5 m³/h resin softening tank, and a 3 T/h Mechanical Vapor Recompression (MVR) evaporator, significantly boosting the facility's capacity to treat and reuse water.

CASE Sunway Tailwater Evaporation System

To minimize the generation of hazardous waste at the source, Sunway upgraded its reclaimed water facilities to a zero-discharge system. Tailwater is processed through evaporation, concentrating and reducing its volume before being transferred to certified hazardous waste disposal units. In 2024, the system concentrated 1,159 m³ of tailwater into 36.962 tonnes, achieving a reduction of 1,122 tonnes.

Waste Gas

Waste gases at Sunway primarily originate from production processes such as injection molding, welding, grinding, sandblasting, cleaning, soldering, and kitchen oil fumes. To mitigate atmospheric pollutants, we employ tailored treatment methods for different types of industrial waste gases, striving to minimize pollutant levels to the greatest extent possible.

During the reporting period, all Sunway facilities achieved 100% compliance with national and regional atmospheric pollutant emission standards, with no instances of non-compliance.

Waste Gas Treatment Processes at Sunway Facilities

Company Name	Waste Gas Pollutant Types	Treatment Process
Sunway	Particulate Matter, VOCs, Nitrogen Oxides, etc.	Water Spray + Activated Carbon Adsorption Device
Jiangsu Sunway	Nitrogen Oxides, Particulate Matter, Non-Methane Hydrocarbons, VOCs, etc.	Bag Filter Dust Removal + Activated Carbon Adsorption; VOCs Treatment: Two-Stage Activated Carbon + Acid-Base Spray
Sunway Chuangke	VOCs, Nitrogen Oxides, etc.	Activated Carbon Adsorption Concentration + Catalytic Combustion
Weishi Technology	VOCs, etc.	Spray Tower Treatment

2024 Key Waste Gas Pollutant Compliance at Sunway Facilities

Company Name	Waste Gas Pollutant Type	Regulatory Standard/ Target (mg/L)	Emission Concentration (mg/L)	Target Achievement
Sunway	Particulate Matter	≤ 120	≤ 20	√
	VOCs	≤ 100	≤ 2.55	√
	Nitrogen Oxides	≤ 120	≤ 2.9	√
Jiangsu Sunway	Non-Methane Hydrocarbons	≤ 60	≤ 1.11	√
	Particulate Matter	≤ 20	≤ 1.11	√
Sunway Chuangke	Non-Methane Hydrocarbons	≤ 10	≤ 4.2	√
	Hydrogen Chloride	≤ 10	≤ 0.79	√
	Ammonia	≤ 10	≤ 1.76	√
	Nitrogen Oxides	≤ 80	≤ 62.66	√
Weishi Technology	VOCs	≤ 1.2	≤ 0.03	√

Sunway places significant emphasis on managing atmospheric pollutant emissions during production. To effectively control these emissions, we adopt a systematic approach, focusing on five key areas: green production, green living, equipment inspection, equipment optimization, and emission monitoring. This comprehensive and sustained effort ensures robust management of atmospheric pollutants.

Sunway Waste Gas Emission Reduction Measures

Green Production

- Utilize high-efficiency raw materials, low-pollution clean production processes, and equipment that generates minimal or low-concentration waste gas, while meeting safety and operational requirements.
- Transition to cleaner energy sources such as natural gas, liquefied petroleum gas, electricity, or other clean energy alternatives.

Green Living

- Prohibit the incineration of garbage or other substances that produce toxic, harmful smoke, or malodorous gases within company premises.
- Ensure kitchen oil fumes are purified through oil fume purification devices, achieving purification rates that comply with applicable regulations for compliant discharge.

Equipment Inspection

- Conduct regular inspections of waste gas treatment equipment to ensure operational integrity.
- Suspend waste gas emissions in the event of equipment failure until repairs are completed.

Equipment Optimization

- Enhance dust removal equipment and incorporate devices such as activated carbon adsorption units.

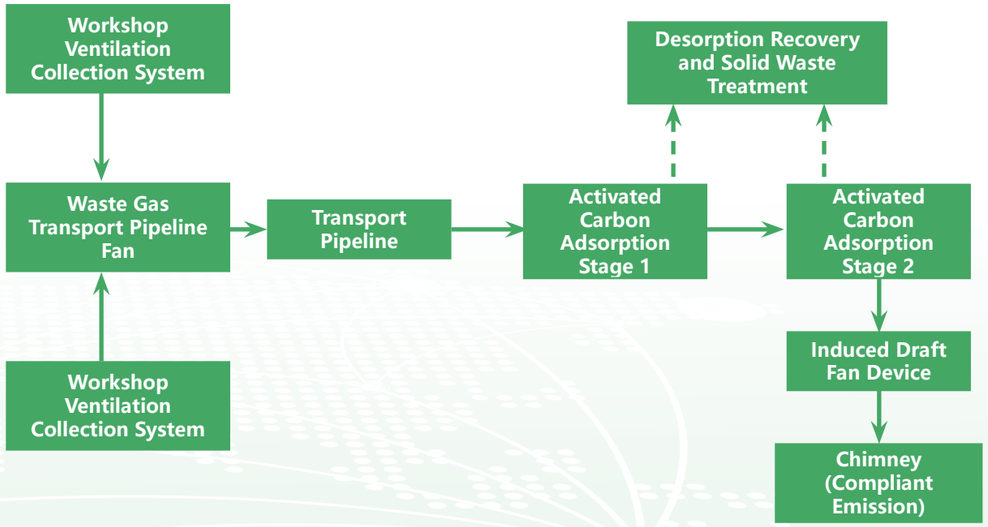
Emission Monitoring

- Annually engage qualified testing agencies to monitor waste gas emissions, ensuring compliance with legal emission standards and maintaining an odor-free environment at facility boundaries.

CASE Sunway Upgrades Organic Waste Gas Treatment Facilities

To further elevate its environmental performance, Sunway has proactively invested in enhancing its environmental infrastructure. During the reporting period, the company allocated 1.09 million CNY to upgrade its organic waste gas collection and end-treatment facilities, specifically targeting volatile organic compounds (VOCs) to improve treatment efficiency. The waste gas treatment process is illustrated in the flowchart below. The upgraded system employs activated carbon adsorption equipment with a drawer-style structure for easy loading and unloading, utilizing honeycomb-shaped activated carbon for purification. This design ensures excellent gas-liquid contact and superior absorption efficiency. In the process, the first stage of activated carbon adsorption captures VOCs from the waste gas, ensuring compliant emissions, while the second stage further enhances removal rates. Saturated activated carbon is regenerated through desorption equipment. Since its implementation, this facility has significantly improved the collection and treatment efficiency of organic waste gases, advancing Sunway's green production objectives.

Waste Gas Treatment Facility Site Images



Waste Gas Treatment Process Flowchart

Noise Management

Noise at Sunway primarily originates from equipment used in production processes and auxiliary systems, including air compressors, chillers, generators, and air conditioners. To effectively control noise levels across its facilities, Sunway implements measures such as equipment maintenance and soundproofing to reduce noise emissions. Additionally, all Sunway production sites adhere to the frequency stipulated in environmental impact assessment reports, commissioning qualified third-party agencies to conduct regular noise monitoring.

During the reporting period, noise emissions from all Sunway facilities achieved 100% compliance with regulatory standards.

Sunway Noise Reduction Measures

Equipment Installation
- Ensure equipment foundations are stable and reliable during installation and commissioning to prevent mechanical noise from vibrations, incorporating isolation measures when necessary.

Equipment maintenance
- Conduct regular equipment inspections, maintenance, and repairs to ensure smooth operation of oil, water, and gas systems, with clear oil indicators and sufficient oil levels, maintaining equipment in optimal condition to minimize noise. Address issues promptly to reduce noise levels.

Soundproofing and Noise Reduction
- Implement enclosed or semi-enclosed modifications for noise-generating equipment, installing noise suppression covers or adding soundproof panels.

No honking signage
- Ensure that mufflers and horns on Sunway's motor vehicles comply with national regulations, prohibiting honking within facility premises.

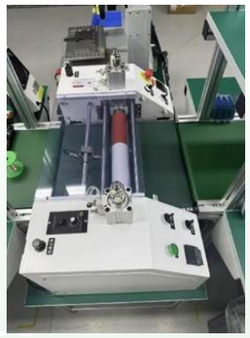
Noise Monitoring
- Regularly engage qualified third-party agencies to monitor noise emissions and issue detailed reports. Address any identified issues immediately through corrective actions.

CASE Public Area Facility Noise Reduction Project

During the reporting period, Sunway advanced its public area facility noise reduction project, investing approximately 420,000 CNY. The project involved enclosing chiller main engine rooms with color-coated steel panels lined with sound-absorbing cotton, as well as enclosing waste gas treatment facilities, cooling fans, and water pumps with similar soundproofing measures. These efforts created a quieter and more comfortable environment for employees and surrounding communities, effectively mitigating the adverse impacts of noise on personnel and the environment.

CASE Noise Reduction Measures at Sunway Jiangsu

Sunway Jiangsu has implemented comprehensive measures to minimize noise generation and mitigate its impact on human health, fostering a low-noise production environment. These measures include: ① Real-Time Monitoring: Continuously tracking noise levels to ensure compliance and identify areas for improvement; ② Source Control: Applying semi-enclosed modifications to noise-generating equipment to reduce sound emissions at the source; ③ Receiver Protection: Implementing protective measures to shield workers from noise exposure. Through these multidimensional and holistic noise reduction strategies, Sunway Jiangsu is committed to safeguarding employee well-being, actively fulfilling its corporate social responsibilities, and demonstrating accountability through tangible actions.



Chemical Management

Chemical Management

Sunway recognizes the critical importance of chemical management for environmental protection and personnel safety. Every stage of the chemical lifecycle—from procurement to disposal—presents potential risks that, if mismanaged, could result in significant harm to the environment and human health. To ensure standardized and scientific chemical management, Sunway adheres to national regulations, including the Regulations on the Safety Management of Hazardous Chemicals, the Regulations on the Management of Precursor Chemicals, and the Law of the People's Republic of China on the Safety of Hazardous Chemicals. The company has established comprehensive internal policies, such as the Guidelines for the Management of Chemicals and Hazardous Substances, which regulate the procurement, storage, handling, use, transportation, and disposal of chemicals and their packaging materials. Furthermore, Sunway has identified potential environmental and safety risks associated with chemical mismanagement and developed a robust set of targeted control measures to address these risks effectively.

Sunway Chemical Management Measures

Chemical Procurement	• Chemicals are sourced exclusively from suppliers with valid qualifications, in accordance with the Green Procurement Control Procedure. • Suppliers must provide valid Material Safety Data Sheets (MSDS) for all chemicals.
Chemical Storage	• Chemical storage personnel must complete training and obtain certification before assuming their roles.
Chemical Handling and Storage Conditions	• Storage sites must display corresponding MSDS documentation. • Facilities are equipped with protective equipment, fire prevention measures, and anti-leakage safeguards.
Chemical Requisition	• Requisitions are documented using a Material Requisition Form, with usage recorded in the Material Receipt and Dispatch Control Card.
Chemical Transportation	• Handling strictly adheres to MSDS requirements, prohibiting rough or improper transport methods.
Chemical Use	• Chemical usage areas are equipped with eyewash stations or shower facilities. • Only personnel who have completed training and wear appropriate protective equipment are authorized to handle chemicals.
Disposal of Chemicals and Packaging	• Discarded chemicals must be sealed, and empty containers previously holding chemicals must be capped. Chemical administrators manage the storage of these materials in designated hazardous waste temporary storage areas.

Environmental Risks and Control Measures for Chemical Management

Location/ Equipment/ Activity	Risk Description	Potential Incident Type	Control Measures
Hazardous Waste Warehouse	Leakage or fire of hazardous waste leading to pollution spreading to the external environment.	Environmental Pollution Incident	1. Implement separate and classified collection, establish hazardous waste temporary storage points with rainproof and anti-leakage facilities. 2. Store liquid or semi-liquid hazardous waste in sealed containers, label with clear signage, and develop safety training and hazardous waste handling guidelines. 3. Conduct regular inspections, maintain liquid level indicators, install containment barriers, and stock emergency supplies such as absorbent materials.
Hazardous Chemicals Warehouse	Chemical leakage or fire causing pollution to spread to the external environment.	Environmental Pollution Incident	1. Employ trained and certified technical personnel equipped with reliable personal protective equipment. 2. Strictly inspect for leaks upon receipt, store chemicals by category in designated areas, and implement appropriate maintenance measures. Regularly check for quality changes, packaging damage, leaks, or stabilizer shortages, addressing issues promptly. 3. Maintain strict control over warehouse temperature and humidity, adjust as needed, and equip with appropriate fire extinguishers. 4. Provide emergency sand, absorbent materials, and suitable empty containers/tools for collecting spilled materials. 5. Ensure enhanced ventilation, limited storage quantities, categorized storage, safety warning signs, and regular inspections.

Chemical Reduction Management

In our pursuit of green development and commitment to environmental stewardship, Sunway recognizes the critical importance of reducing chemical usage. To this end, we have implemented a series of practical measures, including establishing rigorous chemical management protocols and enhancing employee training, to minimize chemical consumption in our production operations.

At the Management Level: We have developed comprehensive policies covering the entire lifecycle of chemicals—procurement, storage, use, and disposal. In the procurement phase, Sunway precisely calculates the required quantity of chemicals based on production needs to avoid over-purchasing. During the storage phase, chemicals are stored under conditions that meet strict requirements to prevent deterioration and waste. In the usage phase, employees are required to adhere strictly to operational protocols when using chemicals, ensuring no wasteful practices occur.

At the Employee Awareness Level: We actively conduct specialized training programs focused on chemical reduction to enhance employees' understanding and skills in minimizing chemical use. These programs cover proper chemical handling techniques, the significance and benefits of reduction, and related safety knowledge. By fostering environmental awareness and technical proficiency, employees recognize that reducing chemical usage not only benefits the environment but also lowers production costs. For instance, Sunway has achieved notable success through regular chemical safety and reduction training. Employees, equipped with proper handling techniques, have reduced chemical consumption by 20% compared to previous levels.

Chemical Emergency Drills

In accordance with national regulations, including the Law of the People's Republic of China on Work Safety, the Law of the People's Republic of China on Emergency Response, and the Measures for the Administration of Emergency Plans for Production Safety Accidents, Sunway has established emergency response plans for chemical spills to effectively manage incidents and prevent escalation. To ensure the feasibility of these plans, we conduct annual emergency drills specifically addressing hazardous chemical spills. During the reporting period, facilities including Shenzhen Sunway, Sunway Jiangsu, Beijing Sunway, Weishi Technology (Yiyang), and Sunway Vietnam conducted chemical spill emergency drills, with full participation from relevant personnel.

CASE **Chemical Spill Emergency Drills**

Sunway Vietnam and Sunway Chuangke conducted chemical spill emergency drills on October 22, 2024, and December 24, 2024, respectively. During these drills, tasks were allocated efficiently, and participants executed operations accurately in accordance with the response plans.

Vietnam Sunway Chemical Emergency Drill

Sunway Chuangke Chemical Emergency Drill

Green Products

Sunway is committed to integrating environmental principles into every stage of product design, striving to develop advanced, eco-friendly technologies and products. By minimizing environmental and social risks throughout the product lifecycle, we enhance our green and low-carbon performance, contributing actively to environmental protection and sustainable development.

Green Product Design and Development

Adhering to green management and eco-design strategies, Sunway undergoes annual third-party audits for management systems such as IECQ QC 080000, ISO 14001, and ISO 14064-1. These audits enable us to swiftly respond to evolving domestic and international environmental regulations. We annually update the Sunway Environmental Control Substances Management Specification to regulate hazardous substances in electronic components and products. Through proactive green management measures, we reduce the environmental impact of our products and production processes.

During the product design and development phase, we implement rigorous controls to ensure green product designs meet customer requirements. Guided by internal protocols such as the Design and Development Control Procedure and the Hazardous Substances Control Procedure, our R&D department focuses on: Developing and selecting alternative green materials; Evaluating and approving materials; Submitting green product samples. Green materials are clearly identified in technical documents, including drawings and Bills of Materials (BOM).

In the procurement phase, environmental considerations are paramount. We have established the Green Procurement Control Procedure to ensure that all materials and products procured meet Sunway's quality and environmental standards. Suppliers are required to comply with the following:

1. All suppliers are required to understand and implement the Sunway Environmental Control Substances Management Specification.
2. Suppliers must sign the Sunway Environmental Protection Agreement, survey forms, and other relevant documents.
3. Suppliers are required to sign the latest version of the Guarantee of Non-Use of Controlled Environmental Substances.
4. Suppliers must provide Sunway with relevant documentation as required, including the Hazardous Substances Survey Form, Component REACH Information Form, material certificates, Material Safety Data Sheets (MSDS), and environmental test reports for products, parts, components, and materials.

Hazardous Substances Management

Sunway places paramount importance on environmental compliance, consistently aligning with regulatory advancements. We rigorously adhere to international and domestic regulations, including the European Union's Restriction of Hazardous Substances Directive (RoHS), the Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation (REACH), and national chemical substance control standards. Our stringent controls on substances such as halogens and perfluorooctane sulfonates (PFOS) minimize the potential environmental and human health risks of our products from the source.

Since 2007, Sunway has implemented the IECQ QC 080000 Hazardous Substances Process Management System to reduce or eliminate hazardous substances in electronic components, achieving certification that year. During the reporting period, the IECQ QC 080000 certificates held by Shenzhen Sunway, Sunway Jiangsu, Sunway Chuangke, and Weishi Technology remained valid, underscoring our sustained commitment and consistent achievements in hazardous substances management.

IECQ QC 080000 Hazardous Substances Process Management System Certificate

Building on regulatory compliance and the successful adoption of this management system, combined with specific customer requirements, we have established protocols such as the Hazardous Substances Control Procedure. These policies comprehensively cover the entire product lifecycle—research and development, production, sales, and use—to prevent raw materials, components, semi-finished, or finished products containing controlled environmental substances from entering or being used at Sunway. By eliminating the release or decomposition of hazardous substances, we fully embody green development principles, reducing the impact of controlled substances on ecosystems. We categorize hazardous substances into three groups for management: Category A, which includes 18 types of immediately prohibited substances; Category B, which includes 63 types of conditionally prohibited substances; and Category C, which includes 22 types of substances subject to managed content.

Sunway Restricted Substances Management List

Category	Substances
Category A: Immediately Prohibited	Cadmium and its compounds, Lead and its compounds, Mercury and its compounds, Hexavalent chromium compounds, Polybrominated biphenyls (PBBs), Polybrominated diphenyl ethers (PBDEs) including DecaBDE, DEHP (Di(2-ethylhexyl) phthalate), DBP (Dibutyl phthalate), etc.
Category B: Conditionally Prohibited	Beryllium and its compounds, Arsenic and its compounds, Perfluorooctanoic acid (PFOA) and its salts, Perfluorooctane sulfonates (PFOS), Ozone-depleting substances (ODCs) such as CFCs, HCFCs, Halons, Polychlorinated biphenyls (PCBs), etc.
Category C: Managed Substances	Category C: Managed Substances Selenium and its compounds, Bismuth and its compounds, Gold and its compounds, Palladium and its compounds, Silver and its compounds, etc.

Additionally, Sunway has established a Hazardous Substances Free (HSF) target metrics system and implemented a robust continuous monitoring mechanism to closely track progress toward these goals. During the reporting period, our subsidiaries actively pursued environmental initiatives, achieving outstanding results in hazardous substances management. The HSF annual target achievement rate reached 100%, demonstrating Sunway's exceptional execution and significant accomplishments in this domain. These efforts inject powerful momentum into Sunway's green and sustainable development.

2024 Sunway HSF Target Achievement Status

Company Name	Metric	Target Value	Target Achievement
Sunway	Non-compliant incoming materials (hazardous substances)	0 batches	**Achieved**
	Non-compliant manufacturing processes (hazardous substances)	0 batches	**Achieved**
	HSF labeling rate for materials	100%	**Achieved**
Jiangsu Sunway	HSF non-compliant products	0 instances	**Achieved**
	Customer HSF compliance rate	100%	**Achieved**
Sunway Chuangke	Supplier EWS (Environmental Warranty Statement) signing rate	100%	**Achieved**
	Incoming materials RoHS compliance rate	100%	**Achieved**
	Customer RoHS complaints	0 cases	**Achieved**
Weishi Technology	Environmental non-compliance outflows (HSF)	0 cases	**Achieved**
Vietnam Sunway	HSF requirement identification rate for new projects	100%	**Achieved**
	Non-compliance incidents for hazardous substances in new projects	0 instances	**Achieved**
	Non-compliant batches (hazardous substances)	0 batches	**Achieved**

Multifaceted Strategies to Safeguard Biodiversity

Site Management

Biodiversity is the foundation for human survival and the cornerstone of sustainable socio-economic development. Sunway remains steadfast in its commitment to ecological conservation and biodiversity protection, strictly adhering to local laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Solid Waste Pollution Prevention and Control Law of the People's Republic of China, the Wildlife Protection Law of the People's Republic of China, the Regulations on Nature Reserves, and the Biosafety Law.

We rigorously comply with ecological protection redlines. During the reporting period, none of Sunway's global production facilities or operational sites were located within legally designated ecological protection zones, whether global or national, or in critical areas for water source conservation, soil retention, biodiversity protection, or soil erosion control. Our operational activities, product manufacturing, and transportation have not caused significant adverse impacts on soil, surface water, groundwater, or biodiversity.

For future site planning, we consistently adhere to the principle of avoiding locations in areas of significant or sensitive biodiversity importance.

Environmental Impact Assessment Management

Environmental Impact Assessments (EIAs) serve as a prerequisite for all environmental initiatives, ensuring legal and regulatory compliance. When undertaking new construction or renovation projects, Sunway thoroughly evaluates potential impacts on surrounding flora, fauna, and ecosystems. We conduct EIA processes and prepare environmental impact reports in strict accordance with local laws and regulations. Upon receiving EIA approval, we proceed with obtaining pollution discharge permits, developing emergency environmental response plans, verifying environmental facilities, and making public disclosures on government platforms, depending on the project's nature. We continuously strengthen EIA management, enhancing environmental oversight throughout the project lifecycle, promptly identifying issues, and implementing corrective measures to minimize negative impacts on surrounding ecosystems and communities.

During the reporting period, all construction projects undertaken by Sunway's subsidiaries achieved a 100% EIA approval rate and secured local environmental permits, ensuring no adverse impacts on biodiversity.

Steadfast in our commitment, together we strive for a better life

Fostering a Harmonious and Inclusive Workplace Through a People-Centered Approach 35

Empowering Talent and Realizing Employee Value 41

Striving for Excellence and Prioritizing Quality 43

Fostering a Harmonious and Inclusive Workplace Through a People-Centered Approach

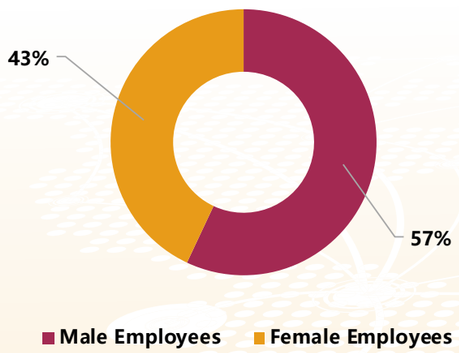
Equal Employment

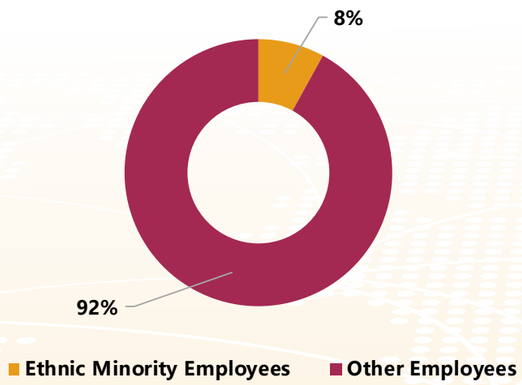
Sunway Communication strictly adheres to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other relevant laws and regulations. We have established comprehensive policies, including the Employee Handbook, Recruitment and Employment Management Measures, Child Labor and Juvenile Worker Management Procedure, Forced or Compulsory Labor Management Procedure, Discrimination Management Procedure, and Onboarding Management Measures. These documents standardize the processes for recruitment, onboarding, and termination. Guided by our human resources management philosophy of "people-centric, courageous innovation, and quality first," Sunway upholds the principle of "attracting and retaining exceptional talent." We hire individuals who align with our corporate culture, demonstrate dedication and professionalism, meet job requirements, and exhibit potential for growth.

Employee Workforce Composition

Sunway Communication respects all human rights, prohibits human trafficking and slavery, and strictly eliminates any form of forced labor, sexual harassment, bullying, or other inappropriate behaviors. The company prohibits the employment of child labor and strictly forbids any form of discrimination based on factors such as skin color, age, gender, sexual orientation, gender identity and expression, race or ethnicity, disability, pregnancy, religious beliefs, political affiliation, union membership, military service status, protected genetic information, or marital status.

As of the end of 2024, Sunway Communication employed a total of 13,600 individuals, including 5,904 female employees, 7,696 male employees, 1,056 ethnic minority employees, and 33 employees with disabilities.





CASE Workplace Conduct Training Initiative of Sunway Communication

Standardizing workplace behavior is a critical step in mitigating ethical risks within the organization. To enhance the professional conduct of management, customer-facing staff, and other employees, elevate professional standards, and combat workplace harassment, Sunway conducted multiple specialized training sessions on workplace ethics and business conduct in 2024. These sessions targeted management and employees in customer-facing roles, with nearly 1,000 participants attending.

Employee Compensation

Sunway Communication rigorously adheres to the Labor Contract Law of the People's Republic of China, the Special Provisions on Labor Protection for Female Employees, the Social Insurance Law, and applicable local labor regulations. Guided by the principle of equal pay for equal work, we have instituted policies such as the Performance Management System and the Salary and Benefits Management System. These frameworks, supported by a robust performance evaluation process, annual assessments, and a differentiated compensation structure, cultivate a fair and competitive environment for talent development.

Our compensation policy is anchored in job value, employing a dual-dimensional salary framework that integrates job value and performance contributions. Within each salary grade, compensation is tailored based on technical expertise, ensuring that employees in critical roles receive competitive remuneration. Compensation comprises a base salary and performance-based incentives, both administered in accordance with company policies. Regular benchmarking against market standards ensures internal equity and external competitiveness. By closely aligning performance with compensation, we foster accountability, enhance employee engagement, stimulate initiative and innovation, and bolster talent attraction and retention.

Employee Well-Being

Sunway integrates legal mandates with employee needs to deliver a comprehensive welfare system structured around three pillars: statutory protections, corporate enhancements, and emotional care. This system encompasses mandatory benefits, including social insurance, housing funds, statutory holidays, and paid annual leave, supplemented by distinctive offerings such as festival allowances, birthday celebrations, and health screenings. These initiatives significantly elevate employee satisfaction and strengthen organizational cohesion.

Festival Care

During major festivals, including the Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, and Teacher's Day, Sunway distributes festive gifts and hosts themed celebrations. These efforts convey corporate care, reinforce employees' sense of belonging, and deepen cultural alignment, thereby enhancing organizational unity and cohesion.

Care for Female Employees

Sunway steadfastly complies with the Special Provisions on Labor Protection for Female Employees and has implemented internal policies, such as the Guidelines for Labor Protection and Management of Female Employees, to comprehensively safeguard the rights of female employees. We provide prenatal check-up leave, maternity leave, parental leave, breastfeeding leave, and associated allowances. Additionally, we organize enriching activities, including flower arrangement workshops, traditional cultural experiences, and specialized programs on workplace value management, health and wellness, and stress-relieving yoga. On International Women's Day, we conduct outreach initiatives to address the physical and emotional well-being of female employees. Dedicated maternal care rooms, equipped with private, comfortable facilities, support pregnant and breastfeeding employees, alleviating concerns for working mothers.

Sports Activities

A healthy physique underpins efficient work and a fulfilling life. In 2024, Sunway organized numerous sports events and fitness activities, including basketball tournaments, tug-of-war competitions, and marathons. These initiatives, enthusiastically embraced by employees, enhanced physical well-being and fostered team cohesion.

Images of Sunway Women's Day Event

Images of Sunway Jiangsu Mid-Autumn Festival Gala

Sunway Communication Tug-of-War Competition

Sunway Jiangsu 3v3 Basketball Tournament

Sunway Jiangsu Sports Meet

Distinctive Care Initiatives

Birthday Celebrations	Sunway hosts monthly collective birthday celebrations, featuring themed events and personalized gifts to express care and strengthen employees' sense of belonging.
Parent-Child Engagement	Beyond supporting employees, Sunway extends care to their families by regularly inviting employees' children to visit company campuses, promoting harmonious family relationships.
Team Building	Throughout the year, Sunway conducts diverse team-building activities, such as outdoor adventures and cultural salons, to enhance collaboration, enrich employees' leisure experiences, and reinforce alignment with corporate culture.

Sunway Employee Birthday Celebration

Images of Sunway Jiangsu Parent-Child Activity

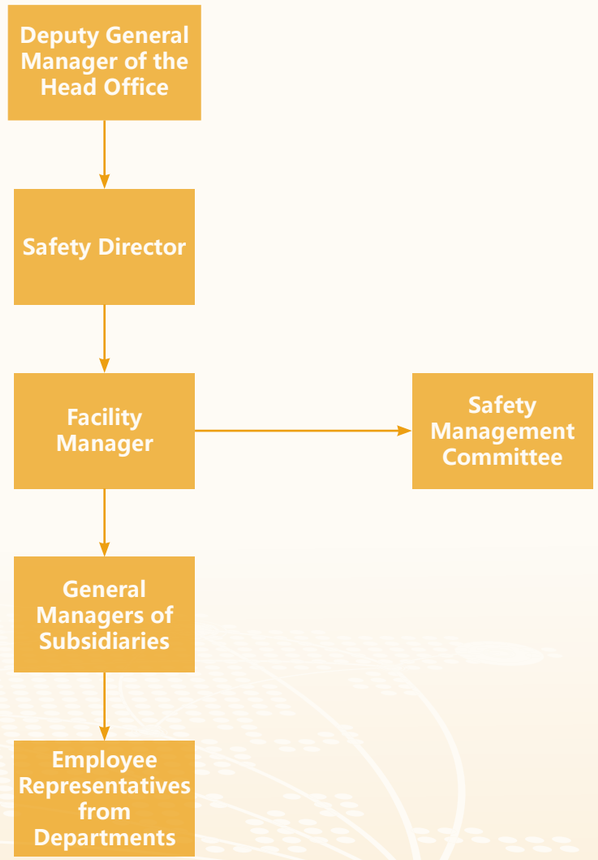
Images of Sunway Jiangsu Team-Building Activity

Occupational Health and Safety Management System

Sunway places paramount importance on employee health and safety, striving to provide a safe and healthy working environment. In accordance with the Work Safety Law of the People's Republic of China, the Law on the Prevention and Control of Occupational Diseases, the Administrative Measures for Emergency Plans for Production Safety Accidents, and other relevant regulations, we have developed an Occupational Health and Safety Management System aligned with the ISO 45001:2018 international standard.

To continuously refine our occupational health and safety policies, enhance performance, and achieve sustainable development that integrates health, safety, and operational efficiency, we have established the Occupational Health and Safety Management Manual. This manual articulates our policy: "Enhance R&D capabilities to deliver superior quality; prioritize technological innovation and advocate for environmental sustainability; uphold social responsibility to ensure occupational safety; and commit to continuous improvement to increase customer satisfaction." Safety management is embedded across all business processes.

All subsidiaries have achieved ISO 45001:2018 certification and operate under a management structure coordinated by the Safety Management Committee. We implement a "dual-responsibility" system, delineating clear roles and authority for senior management and department heads. Adhering to the principle of "those responsible for production are responsible for safety," we enforce accountability through tiered safety responsibility agreements, ensuring the effective operation of the management system.



Sunway Safety Management Committee Structure

Occupational Health and Safety Measures

Sunway has instituted a suite of policies, including the Occupational Health and Safety System Manual, Operational Control Management Procedure, Personal Protective Equipment Management Policy, Fire Safety Management Procedure, Third-Party Management Procedure, Employee Occupational Health Management Procedure, and Female Employee Labor Protection Management Procedure. These policies form a three-tier prevention system, ensuring a safe and healthy production environment and workplace for all employees and contractors.

On-Site Production Management

For new projects, we enforce the "Three Simultaneities" policy for occupational health, requiring simultaneous design, construction, and commissioning of occupational health facilities.

We develop management plans to enhance safety and health facilities, setting clear objectives and measures.

Operational control protocols are established, including signage and warnings for hazardous work environments and defined management measures. Smart monitoring systems provide real-time alerts for potential hazards.

A tiered fire safety management system ensures the proper allocation and effective use of fire safety equipment. Fire safety teams are established, with responsibilities cascaded to implement a robust fire prevention framework. Guided by the principle that "safety enables production, and production requires safety," fire safety is integrated into all production and operational activities.

Employee Health Protection

All employees undergo training to continuously enhance their knowledge of safety and health protocols, ensuring familiarity with preventive measures and control methods.

Regular inspections, maintenance, and servicing of occupational health equipment and facilities ensure their operational integrity.

Employees are provided with appropriate protective gear, including work uniforms, insulated shoes, safety goggles, earplugs, dust masks, and anti-toxic equipment, tailored to their roles.

Supply Chain Collaboration

Sunway implements standardized procurement controls to ensure that goods (e.g., products, hazardous materials, raw materials, equipment) and services meet the requirements of the Occupational Health and Safety Management System.

The Third-Party Management Procedure identifies and communicates risks arising from contractors, assessing and mitigating associated occupational health and safety hazards.

Outsourced processes impacting the Occupational Health and Safety Management System are subject to stringent controls.

Certification of occupational health and safety systems is incorporated into the supplier ESG evaluation framework, with regular audits conducted to assess suppliers' occupational health and safety practices.

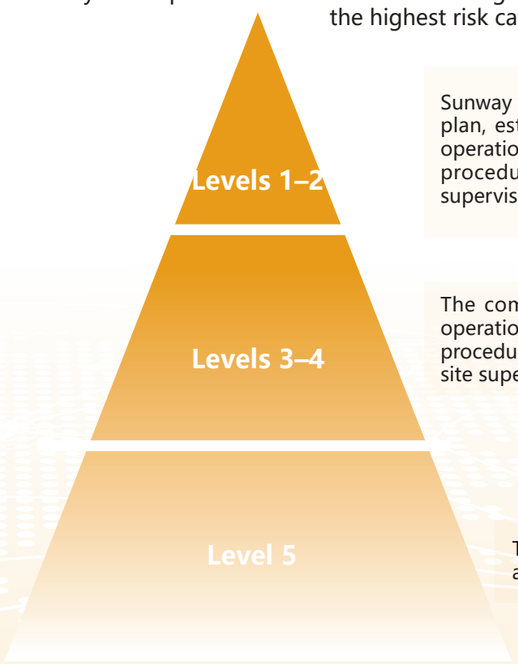
Occupational Health and Safety Risk Identification and Response

Sunway Communication has established and implements a robust framework for occupational health and safety risk management, including the Hazard Identification and Evaluation Control Procedure, Hazard Identification and Evaluation Form, and Major Hazard Inventory. These policies enable the systematic identification and assessment of occupational health and safety risks across our operations. Based on the severity of identified hazards, we adopt a tiered control approach. Workstations with the potential to cause significant occupational health and safety risks are designated as Occupational Health and Safety Control Points. Relevant departments develop targeted operational management protocols and work guidelines to specify control requirements.

Work at Sunway Communication with Potential for Severe Injury Risks

Job Title	Job Description	Control Measures	Whether any work-related accidents resulting in serious consequences occurred during the reporting period.
Automation	Automation technicians are responsible for the maintenance of all automated equipment.	Equipment safety interlock devices	No
Stamping	Stamping operators are responsible for operating stamping equipment.	Equipment safety interlock devices	No
Heat Treatment	Heat treatment operators are responsible for operating heat treatment furnaces.	Thermal insulation measures	No

Sunway has implemented a five-tier risk management mechanism for hazards, with Level 1 representing the highest risk category (extreme danger).



Sunway Communication has developed a specialized management plan, established and refined systems such as work instructions, operational control management regulations, and safety operation procedures, and implemented training, education, and on-site supervision and inspection.

The company has established and improved work instructions, operational control management regulations, and safety operation procedures, conducted training and education, and carried out on-site supervision and inspection.

Training, education, and on-site supervision and inspection are implemented.

Sunway Communication Occupational Health and Safety Emergency Plans

Document Titles
Registration Form for Filing Production Safety Accident Emergency Plans of Production and Operation Units
Sunway Chuangke Communication Technology (Beijing) Co., Ltd. – Emergency Plan
Weishi Technology Co., Ltd. Production Safety Accident Emergency Plan
Sunway Communication (Jiangsu) Co., Ltd. – Production Safety Accident Emergency Plan

Safety Culture Development

Emergency Capacity Building

To further enhance the ability to handle production safety incidents and to prevent or minimize potential environmental impacts and occupational health injuries, Sunway Communication has formulated and strictly implemented the Emergency Preparedness and Response Control Procedure. Standardized response and handling processes have been established for incidents including fires, chemical and oil spills, explosions, earthquakes, typhoons, heavy rain and floods, pandemics, poisoning, and heatstroke.

For example, in the case of poisoning: upon identifying an employee exhibiting poisoning symptoms, the incident must be immediately reported to the Safety Officer or first aid personnel. In severe cases, the 120 emergency hotline is contacted promptly. For collective poisoning incidents, the Chair of the Safety Management Committee is notified immediately, who activates the emergency plan, directs relevant departments to secure the site, and initiates an investigation into the cause of the poisoning.

Additionally, in accordance with the Environmental Factors Identification and Evaluation Procedure and the Hazard Identification and Risk Evaluation Procedure, Sunway assesses the likelihood of potential accidents or emergencies. We conduct employee training on emergency response protocols and organize regular simulation drills as stipulated by our procedures. Following each simulation or drill, we conduct reviews, evaluations, and revisions to strengthen our preparedness.

Sunway ISO 45001 Certificate

Safety Education and Training

Sunway rigorously implements comprehensive safety training and education programs to enhance workforce awareness of production safety. Through multifaceted safety promotion initiatives, we foster a culture of safety across all levels of the organization.

Three-Tier Safety Education System

EHS-Related Training and Safety Education Sunway Communication rigorously implements comprehensive safety training for all employees, enhancing workplace safety awareness through extensive educational initiatives. Sunway ensures that all employees receive targeted safety training tailored to their roles and responsibilities. Key personnel, including senior management, dedicated safety officers, and specialized operators, undergo mandatory training and certification in accordance with national regulations. Additionally, 100% of new hires complete pre-employment safety training as required by national safety training regulations.

"Safety Production Month" Activities

During the annual "Safety Production Month," Sunway organizes engaging activities such as safety knowledge competitions and emergency response drills. These initiatives are designed to reinforce safety awareness and enhance preparedness among all employees, fostering a proactive safety mindset.

EHS-Related Training

Sunway conducted 13 Environment, Health, and Safety (EHS) training sessions, covering critical topics such as production safety protocols and occupational hazard prevention. These sessions addressed issues directly impacting employee well-being, ensuring comprehensive safety education.

On-Site Images of EHS-Related Training

Occupational Health Protection

Sunway places the highest priority on preventing occupational diseases by continuously improving workplace conditions and implementing robust occupational health and safety measures.

Health Monitoring

Sunway conducts regular inspections of occupational disease prevention facilities and specialized protective equipment, alongside thorough assessments of workplace safety hazards. Identified issues are promptly rectified to mitigate occupational disease risks. Employees in high-risk roles undergo routine occupational health examinations, and appropriate personal protective equipment (PPE) is provided to minimize exposure to residual harmful substances, such as exhaust gases, noise, and dust. During the reporting period, the occupational disease incidence rate at Sunway Communication for the entire year was 0%.

Engineering Controls

To address workplace noise hazards, Sunway regularly monitors noise levels in designated areas and implements engineering solutions. These include upgrading to advanced, low-noise equipment, using sound-absorbing materials in workshop designs, installing noise-isolating enclosures for high-decibel sources, and providing noise-canceling earplugs to employees.

Individual Protection

Based on periodic occupational hazard assessments, Sunway installs hazard notification signs and warning labels at affected workstations. All employees are equipped with PPE that meets national standards, tailored to specific workplace risks. Depending on the job role, employees receive safety helmets, noise-canceling earplugs, specialized masks (e.g., for organic gases or particulate matter), safety shoes, acid/alkali-resistant gloves, protective goggles, or cut-resistant gloves, ensuring compliance with local occupational health and safety regulations.

Workplace Equipped with Noise-Canceling Earplugs

Incident and Near-Miss Management

Sunway adheres to the "Four No-Let-Go" principles for managing incidents and near-miss events, ensuring thorough investigation, accountability, education, and corrective action. To facilitate timely reporting, effective investigations, appropriate corrective measures, proper injury follow-up, standardized notifications, and accurate statistical analysis, Sunway has established the Incident and Near-Miss Investigation and Handling Control Procedure.

"Four No-Let-Go" Principles

- The cause of the incident must be fully investigated.
- Responsible individuals must be held accountable.
- Those responsible and surrounding personnel must receive education.
- Feasible corrective measures must be implemented.

1 Incident and Near-Miss Reporting

Upon occurrence, incidents or near-misses must be promptly reported to senior management, the Safety Committee, or external entities as per established protocols.

2 Incident and Near-Miss Investigation and Corrective Measures

An incident investigation team is formed to analyze the event. Post-investigation, the team identifies causes, discusses, and establishes corrective and preventive measures, which are applied to similar scenarios with designated personnel responsible for implementation. The safety officer confirms the effectiveness of corrective actions.

3 Injury Follow-Up

Injured employees undergo work-related injury assessments. Based on injury severity, they are granted leave, and upon recovery, their work capacity is reassessed to determine suitability for their original role, with job adjustments made if necessary. Work-related injury claims are managed.

4 Incident and Near-Miss Notifications

Investigation outcomes are communicated to relevant personnel for awareness and education.

5 Statistical Analysis of Incidents and Near-Misses

Incidents and near-misses are statistically analyzed, with results reported to management for review.

Sunway Incident and Near-Miss Handling Process

To efficiently and promptly identify the causes and circumstances of incidents and near-miss events, Sunway Communication has established a structured investigation protocol. An investigation team, comprising the Safety Officer, Human Resources Manager, Department Manager/Supervisor, shift supervisor/team leader/technician present during the incident, and eyewitnesses, is tasked with conducting thorough investigations. Relevant departments are required to preserve the incident scene, ensuring that objects, traces, or conditions related to the incident or near-miss remain undisturbed. In cases where objects must be moved to rescue injured individuals, clear markers must be set to preserve evidence. All relevant personnel are expected to actively cooperate with the investigation process.

Sunway categorizes the causes of incidents and near-misses into five types: human factors, equipment factors, management deficiencies, training deficiencies, and environmental factors. An incident may result from a combination of these factors. Within five working days of an incident or near-miss, the Safety Officer compiles an Incident and Near-Miss Investigation Report, which includes a root cause analysis and outlines improvement measures. These measures are disseminated to prevent recurrence of similar incidents.

Empowering Talent and Realizing Employee Value

Employee Training System

To enhance corporate core competitiveness and meet strategic development needs, Sunway Communication has established institutional documents including the Group Training Management Measures, Onboarding Training Management Measures, Internal Instructor Management Measures, and External Training Management Measures. These policies promote the professionalization, standardization, and institutionalization of training initiatives.

Sunway's training system is divided into two main modules:

Internal Training	Covers onboarding training, job-specific skill enhancement, and advanced technical courses, delivered by internal instructors.
External Training	Engages industry experts and external resources for specialized workshops.

In 2024, Sunway conducted 2,638 training sessions, with a total training expenditure of 1.7756 million CNY and a 100% training coverage rate.

Training System Structure

Sunway employs a three-tiered training mechanism: "Headquarters Coordination – Subsidiaries/Business Units Execution – Department Implementation."

Headquarters Levels
Develops and enforces training policies, coordinates strategic planning, resource integration, and quality oversight.

→

Subsidiaries/ Business Units
Implements a closed-loop process of "training needs assessment, plan execution, and effectiveness evaluation."

→

Departmental Levels
Supports annual training needs surveys and organizes employee participation in training.

Internal Instructor Development

To maximize internal educational resources, Sunway has established an Internal Instructor Certification System. The company selects skilled professionals to serve as instructors, promoting knowledge transfer and experience sharing through a dual-channel incentive mechanism of "lecture allowances + career development opportunities." Internal instructors receive: Lecture allowances based on their rank; Priority access to external training opportunities; Bonus points in promotion assessments.

Image of Jiangsu Sunway Internal Instructor Training Session

Digital Training Platform

Sunway has developed the Sunway Cloud Academy, an online learning platform offering a comprehensive course matrix covering leadership development, professional skill enhancement, and professional competency cultivation. This platform enables employees to access training efficiently, enhancing their skills and competencies to meet the company's high-quality development needs. In 2024, employees logged a total of 21,833 hours on the Sunway Cloud Academy, with over 12,600 individual learning sessions.

Sunway Cloud Academy Overview

Leadership Development Program

Sunway Communication implements tailored development programs for different management levels to foster leadership excellence. In 2024, Sunway conducted two leadership-focused training initiatives, including the "High-Potential Voyage Plan+" and other leadership training sessions, engaging 80 participants.

CASE **Sunway Mid-Level Leadership Project**

In 2024, Sunway launched the "High-Potential Voyage Plan+" mid-level leadership project, involving 50 mid-level managers. The program included 11 theoretical courses, management practice sessions, and experience-sharing workshops. This initiative effectively facilitated the integration of new and existing management teams, significantly enhancing comprehensive leadership capabilities and cross-departmental collaboration.

Management Trainee Program

Sunway Communication places great emphasis on nurturing young talent, establishing a comprehensive mechanism for the recruitment and development of management trainees to systematically cultivate and reserve grassroots management talent. In 2024, Sunway conducted a total of 43 specialized training sessions for management trainees, with 652 participants and approximately 4,200 hours of training.

CASE **Sunway Communication 2024 "Future Star Creation Camp"**

The "Future Star Creation Camp" is a strategic talent development program for campus-recruited management trainees. The curriculum covers Sunway's development history, organizational structure, corporate culture, company policies, cross-cultural communication, customer management, comprehensive budget management, product technology introductions, and workplace competencies. Beyond clarifying the company's development pathways, goals, and support mechanisms for trainees, the program includes team-building exercises to strengthen collaboration and team spirit.

Employee Promotion

To standardize employee management and internal promotion processes, support Sunway's strategic and performance objectives, and foster a fair, equitable, and motivating talent system, Sunway has established a dual-track career development framework comprising "Management Track" and "Professional Track." Policies such as the Group Promotion Management Measures and Group Position and Rank Management Measures clearly define career development pathways and promotion criteria for each position level. These measures stimulate employee engagement and creativity, enhancing Sunway's talent attraction. In 2024, 100% of employees underwent regular performance evaluations.

Striving for Excellence and Prioritizing Quality

Product Quality and Safety

Quality management is the cornerstone of Sunway's survival and growth, a focal point for customers, and a critical pathway to building competitive market advantage. Sunway's comprehensive quality management system, driven by customer value, integrates lean quality management principles to systematically oversee product quality throughout the entire lifecycle. Sunway strictly adheres to the Product Quality Law of the People's Republic of China, the Standardization Law of the People's Republic of China, and relevant laws, regulations, and industry standards in its operational locations. Additionally, Sunway aligns with international standards, including ISO 9001:2015 Quality Management System and IATF 16949:2016 Automotive Quality Management System, to establish an industry-leading quality management framework. Through end-to-end closed-loop controls, Sunway achieves full traceability from raw material batches to final product certifications, relentlessly pursuing a zero-defect quality target.

Sunway continues to advance its ISO 9001 Quality Management System certification efforts. During the reporting period, Sunway and its relevant subsidiaries successfully obtained ISO 9001:2015 certification. Subsidiaries producing automotive-related products also secured IATF 16949:2016 certification.

Shenzhen Sunway: ISO 9001:2015 Certification

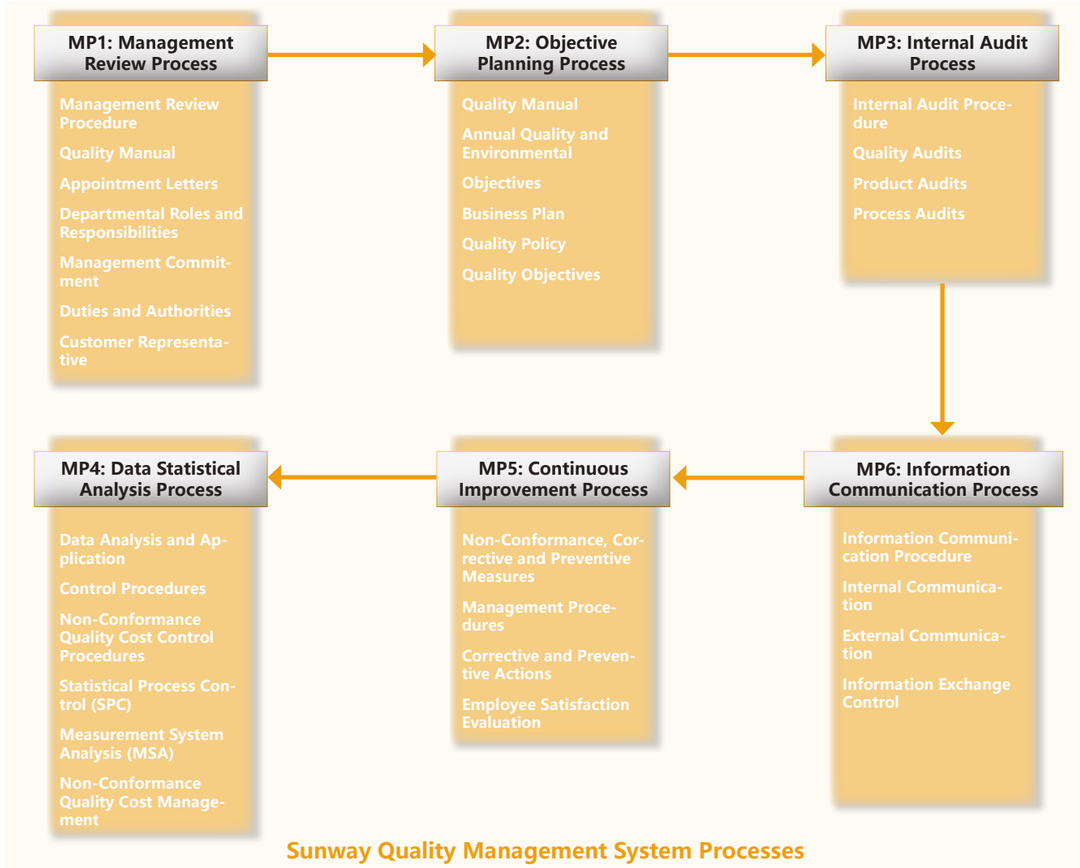
Jiangsu Sunway: ISO 9001:2015 and IATF 16949:2016 Certifications

Weishi Technology: ISO 9001:2015 Certification

Shenzhen Sunway: ISO 9001:2015 Certification | Jiangsu Sunway: ISO 9001:2015 and IATF 16949:2016 Certifications | Weishi Technology: ISO 9001:2015 Certification | Vietnam Sunway: ISO 9001:2015 and IATF 16949:2016 Certifications

Quality Management System

To ensure the efficient and stable operation of the quality management system, Sunway Communication has established a dedicated Quality Department to oversee product quality management. This department has developed a comprehensive, full-value-chain quality control system and standardized quality management processes (see attached process diagram).



Sunway Quality Management System Processes

In 2024, Sunway advanced the optimization and upgrading of its quality management system through three key strategies:

Refined Standards Development: Based on industry standards, national and international regulations, and customized customer requirements, Sunway established systematic, scientifically grounded, and actionable internal quality management norms. A multidimensional benchmarking mechanism ensures dynamic alignment with industry trends.

Iterative Management Methodologies: The Six Sigma methodology was deeply integrated to reduce product defects and process variations, enhancing product quality stability. Lean production practices were comprehensively implemented to eliminate waste in production processes, optimize workflows, and improve product quality.

Full-Value-Chain Quality Monitoring: Sunway established a comprehensive audit mechanism covering the entire value chain, conducting regular internal quality audits to assess the performance of the quality management system and implementing Plan-Do-Check-Act (PDCA) cycles for continuous improvement.

Quality Capability Building Training

Sunway prioritizes enhancing quality awareness across all production line staff, fostering a unified commitment to improving product quality and building a robust quality brand. To elevate the focus on product quality and related capabilities, Sunway conducted 14 specialized training sessions in 2024, including "Quality Awareness Training," "Quality Mindset Enhancement Training," and "Quality Control Training."

Sunway Quality Management System Processes

Customer Service and Satisfaction

Guided by the core value of "Customer Satisfaction," Sunway has established a service value system oriented toward customer needs, implementing the following initiatives to achieve a comprehensive enhancement of customer experience.

Fostering a Culture of Service

Implementation of Core Values	Sunway integrates its core values—Honesty, Customer Satisfaction, Result-Orientation, Pursuit of the Limit, and Accountability—into its corporate DNA, focusing on customers' true needs and continuously improving capabilities to deliver customer satisfaction.
Internal Customer Collaboration Mechanism	Sunway has established a cross-departmental service commitment system, starting with internal customers, to create a closed-loop service experience management framework.
Compliance Assurance System	Strictly adhering to the Consumer Rights Protection Law of the People's Republic of China, Sunway has developed a robust management framework, including the Customer Complaint Handling Control Procedure, Customer Property Control Procedure, and Customer Satisfaction Control Procedure. This framework covers the entire customer lifecycle, encompassing sales processes, customer maintenance, safety, and privacy protection.

Customer Satisfaction Monitoring

To gauge customer satisfaction with Sunway Communication's products and services, mitigate potential negative impacts, and enhance customer experience, Sunway has established the Customer Satisfaction Control Procedure.

Implementation Mechanisms

Periodic Survey Model

Sunway conducts biannual customer satisfaction surveys using diverse outreach methods, including email campaigns, online questionnaires, and telephone interviews.

Data Analysis Model

An evaluation system is established to statistically analyze survey results, which are compiled into a Customer Satisfaction Survey Summary Table and an improvement roadmap.

Improvement Processes

Recycling Rate Management

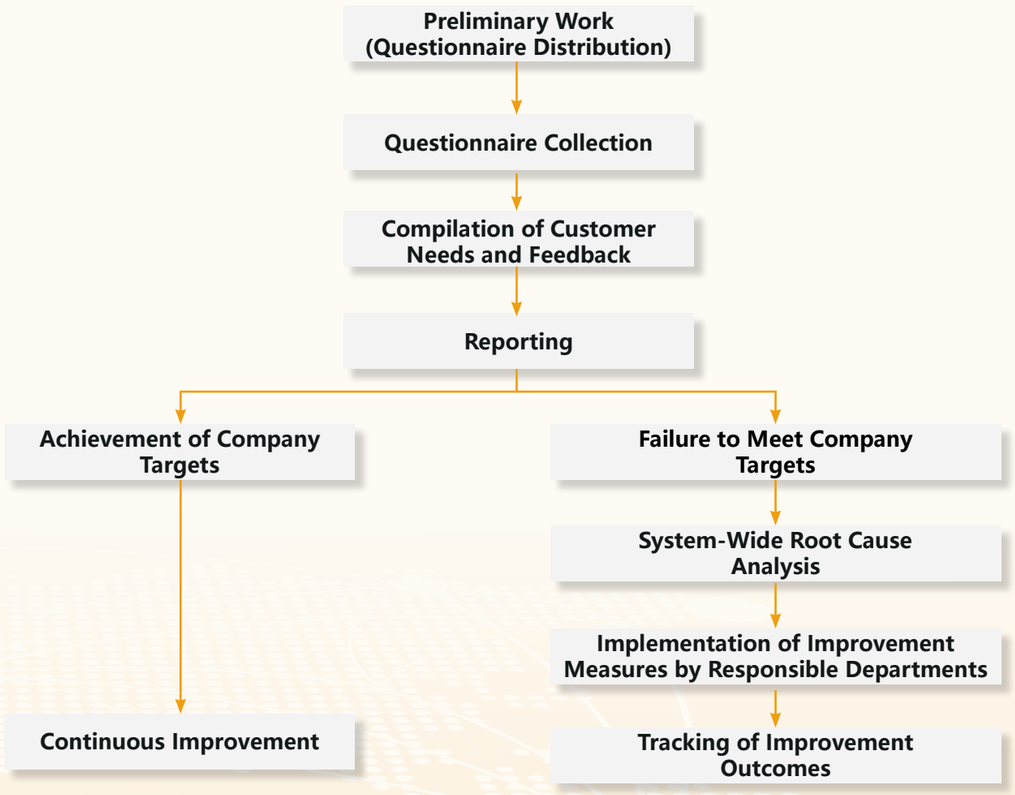
If the survey response rate falls below the target, a Corrective and Preventive Measures Form is triggered, assigned to the responsible department for root cause analysis and improvement strategy formulation.

Closed-Loop Improvement Management

If improvement measures are ineffective, they are returned to the responsible department for revision. Effective measures are sustained, implemented, and tracked to closure.

Management Review Application

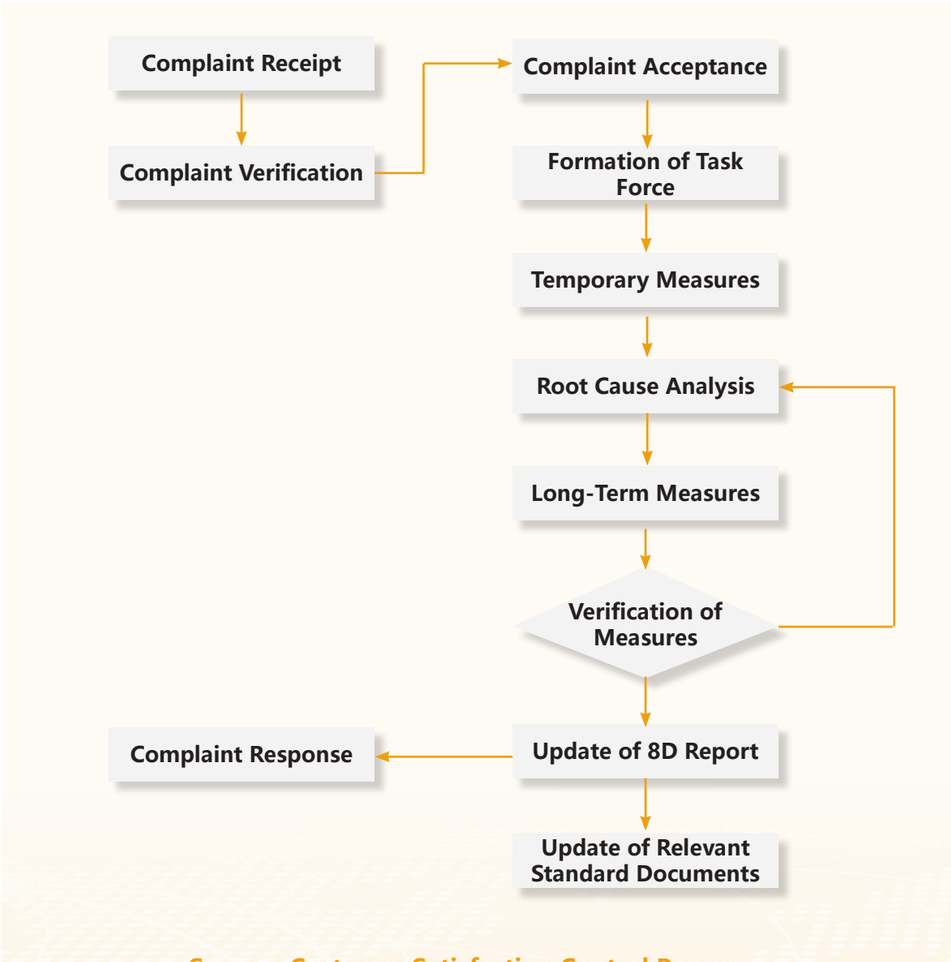
Reviews assess service process compliance, customer satisfaction levels, effectiveness of planning and implementation, measures addressing risks and opportunities, external supplier performance, and needs for system improvements.



Sunway Customer Satisfaction Control Process

Customer Complaint Handling

For customer complaints requiring a corrective action report, Sunway adheres to the "2485" principle: First response within 2 hours; Emergency measures and second response within 24 hours; Cause analysis, strategy formulation, and third response within 48 hours; Strategy implementation, effectiveness verification, and fourth response within 5 days. If customers specify resolution methods and timelines, Sunway complies accordingly. All complaint details and resolutions are meticulously recorded and retained for analysis, review, and follow-up, with ongoing customer feedback monitoring.



Sunway Customer Satisfaction Control Process

Strategic Layout for Technological Innovation

Innovation is the core driver of industry evolution and green transformation, as well as the strategic foundation for Sunway's sustainable development. As a globally technology-driven enterprise, Sunway leverages fundamental materials and core technology research to focus on developing reliable, innovative products and solutions that create long-term value for customers. Innovation is regarded as Sunway's core competitive advantage, with continuous breakthroughs in new products, technologies, and processes accelerating the strategic goal of becoming a world-class enterprise.

R&D Innovation System Framework

Sunway has established a global R&D network comprising "One Academy and Five Centers":

Central Research Academy: Focuses on cutting-edge technology development, prioritizing next-generation antenna designs (5G, MIMO technology evolution), integrated RF front-end solutions, and novel dielectric and magnetic functional materials for IoT applications, alongside other core solutions.

Five Regional R&D Centers: Leverage localized market insights and talent advantages to conduct customized technology development and industrialization.

Key Research Achievements: Breakthroughs in fundamental materials. Since the establishment of the Central Research Academy, Sunway has made significant progress in the research of polymer materials, magnetic materials, and ceramic materials, with some achievements reaching industry-leading levels.

Green Innovation

While prioritizing innovation, Sunway promotes low-carbon product design and enhances energy efficiency, embedding green innovation principles across product development, material selection, and energy utilization. During R&D and material selection, Sunway increases the use of renewable and biodegradable materials to reduce reliance on finite resources and minimize the environmental impact of its products and services.

CASE Recycled Nickel Paste

Sunway Communication has implemented a process to collect and recycle defective nickel paste. During recycling, the defective nickel paste is uniformly redispersed, and large particles or agglomerates causing defects are filtered out. The process requires minimal or no additional substances, making it more environmentally friendly and efficient. The recycled nickel paste achieves quality comparable to in-use nickel paste, with a recovery rate exceeding 90%. This approach prevents material waste, reduces material costs for MLCC capacitors, minimizes solid waste generation, and lowers environmental treatment expenses.

Transparent Governance for Sustainable Development

Scientific Governance for Stable Company Operations 47

Risk Management to Support Company Development 47

Compliant Operations and Adherence to Legal Standards 50

Efficient Communication to Safeguard Stakeholder Rights 51

Empowering Enterprise Development through Party Building Initiatives 51

Scientific Governance for Stable Company Operations

Institutional Governance Framework

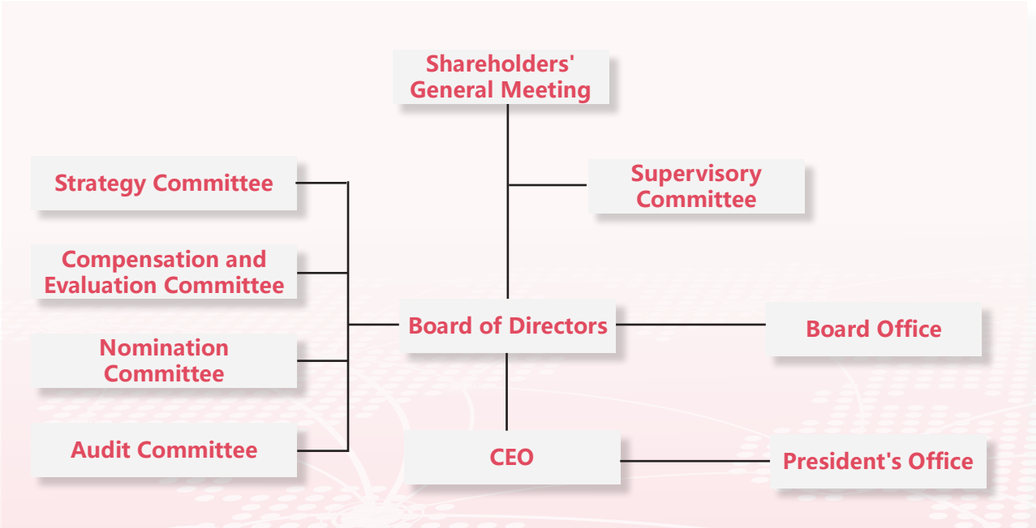
Sunway Communication steadfastly adheres to the compliance baseline, strictly following the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Listing Rules of the Shenzhen Stock Exchange, Guidelines for the Articles of Association of Listed Companies, Corporate Governance Guidelines for Listed Companies, and internal regulations such as the Articles of Association. The company has established a "Three Meetings and One Layer" governance structure, comprising the Shareholders' General Meeting, the Board of Directors and its specialized committees, the Supervisory Committee, and Senior Management. Corresponding rules of procedure and operational systems have been formulated to create a clear, collaborative, and balanced mechanism that effectively safeguards shareholder interests.

Institutionalized Governance Operations

Enhanced Decision-Making Efficiency: The Board of Directors has established four specialized committees—Strategy, Audit, Nomination, and Compensation and Appraisal—to conduct preliminary research and professional assessments, improving the quality of major decisions.

Strengthened Oversight Mechanisms: The Supervisory Committee has implemented a specialized inspection system, focusing on high-risk areas such as related-party transactions and external guarantees.

Transparent Information Disclosure: Sunway rigorously complies with the Shenzhen Stock Exchange's information disclosure guidelines. In 2024, the company published 82 documents, including periodic reports, interim announcements, and investor relations activity records. For seven consecutive years, Sunway has received an A-level rating for information disclosure among Growth Enterprise Market (GEM) listed companies on the Shenzhen Stock Exchange.



Corporate Governance Structure

2024 Governance Performance of Sunway's Three Meetings

Meeting Name	Number of Meetings	ESG-Related Proposals	Director/ Supervisor Attendance Rate
Shareholders' General Meeting	2	0	100%
Supervisory Committee Meeting	4	0	100%
Board of Directors Meeting	5	1	100%

Sunway Communication strictly formulates and implements the following corporate management regulations, including but not limited to the Articles of Association of Shenzhen Sunway Communication Co., Ltd., Sunway Communication: Rules of Procedure for the Board of Directors, Sunway Communication: Detailed Rules for the Work of Independent Directors, Sunway Communication: Rules of Procedure for the Shareholders' General Meeting, Sunway Communication: Rules of Procedure for the Supervisory Board, Sunway Communication: Related Party Transaction Management System, and Sunway Communication: Detailed Rules for the Work of the General Manager.

Shareholder General Meeting Governance Mechanism

Sunway Communication places high importance on shareholders' opinions and suggestions, integrating their needs as a critical factor in strategic planning to effectively uphold their rights to participation, information, and expression. Specific measures include:

Procedural Compliance	Sunway strictly adheres to the Company Law of the People's Republic of China, the Articles of Association, and the Rules of Procedure for the Shareholders' General Meeting. The convening and conduct of shareholder meetings, as well as voting and decision-making processes, are standardized to ensure that all shareholders can exercise their rights as stipulated in the Articles of Association.
Equal Rights Protection	All shareholders are treated equitably, with guaranteed rights to propose motions, access information, and vote. A" Special Voting Procedure for Minority Shareholders" is implemented, providing separate vote-counting channels for proposals related to profit distribution, major investments, and other key matters.
Transparency Enhancement	Meeting resolutions and vote-counting results are disclosed in real time through designated information disclosure platforms, safeguarding shareholders' right to information.

Supervisory Committee Oversight System

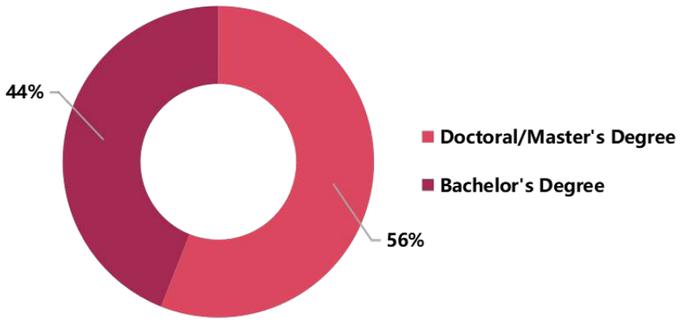
The Supervisory Committee, accountable to the Shareholders' General Meeting, oversees the company's operations, financial status, and the conduct of directors and senior management. Comprising two supervisors and one employee representative supervisor, the committee operates as an independent and professional oversight mechanism. To protect the legitimate rights of Sunway and its shareholders, and to ensure the committee fulfills its responsibilities as outlined in the Articles of Association and the Rules of Procedure for the Supervisory Committee, supervisors are elected or replaced through the Shareholders' General Meeting or democratic elections by company employees.

Board of Directors as the Decision-Making Core

The Board of Directors of Sunway Communication serves as the strategic decision-making hub. Elected by the Shareholders' General Meeting in accordance with the Articles of Association, the Board is accountable to the Shareholders' General Meeting and executes its resolutions. The Board continuously optimizes governance efficiency across the following dimensions.

Diverse Governance Structure

Sunway strives to promote diversity among Board members in terms of gender, age, educational background, professional skills, and industry experience. This diversity ensures informed and scientifically sound decision-making while mitigating risks across various business domains.

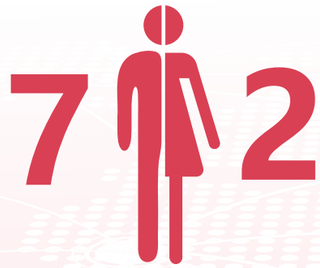


The professional backgrounds of Board members encompass not only seasoned industry practitioners but also experts in business administration, accounting, law, and technical R&D. Professionals in business administration, accounting, and law account for 50% of the Board.

2024 Sunway Communication Board Member Educational Structure

2024 Sunway Communication Board Members

Position	Name	Gender	Age	Educational Background
Chairman	Peng Hao	Male	58	Bachelor's Degree
Director	Wu Huilin	Male	57	Doctoral Degree
Director	Yu Chengcheng	Male	61	Master's Degree
Director	Shan Lili	Female	50	Master's Degree
Director	Li Gan	Male	58	Bachelor's Degree
Director	Mao Dadong	Male	52	Bachelor's Degree
Independent Director	Li Li	Female	46	Bachelor's Degree
Independent Director	Deng Lei	Male	47	Doctoral Degree
Independent Director	Xu Jian	Male	64	Doctoral Degree



Strengthening the Independent Director System

Independent directors play a pivotal role in the Board of Directors of Sunway Communication, contributing to decision-making, oversight, and professional consultation. Their involvement is a critical factor in ensuring the Board's effective operation.

To ensure objective, comprehensive, and scientifically informed leadership, Sunway has appointed three independent directors, constituting 33% of the total Board membership, aligning with the optimal regulatory range.

During the reporting period, through "professional execution and strategic oversight," independent directors diligently fulfilled their responsibilities as outlined in the Working Rules for Independent Directors. They served as chairs (conveners) of the Audit Committee, Compensation and Appraisal Committee, and Nomination Committee under the Board, leveraging their professional expertise to positively influence the company's strategic development and operational management.

Specialized Committee Coordination Mechanism

Audit Committee: Establishes a comprehensive risk control system, oversees the effectiveness of internal and external audits, reviews Sunway's financial reports and provides opinions, monitors and evaluates the company's internal controls, facilitates communication between management, internal audit departments, relevant units, and external auditors, and handles other matters authorized by the Board, as well as those stipulated by laws, regulations, and Sunway's relevant policies. Through the internal audit department, the committee reviews and supervises daily operations to ensure legal and regulatory compliance.

Compensation and Appraisal Committee: Executes responsibilities outlined in the Compensation Management System for Directors, Supervisors, and Senior Management, formulates reasonable compensation standards and plans for directors and senior management, monitors their implementation, and conducts annual performance evaluations of directors and senior management.

Nomination Committee: Nominates suitable candidates for Board membership or senior management roles, considering various factors to ensure the management team's diversity and professionalism.

Strategy Committee: Develops Sunway's strategic plans, guiding the company toward long-term, stable, and sustainable development.

Committee Name	Position	Sustainability Committee Chair	Number of Members	Meetings Held
Audit Committee	Independent Director	Li Li	3	4
Compensation and Evaluation Committee	Independent Director	Xu Jian	3	3
Nomination Committee	Independent Director	Deng Lei	3	2
Strategy Committee	Chairman	Peng Hao	4	2

Risk Management to Support Company Development

Compliance Management

Sunway adheres to the principle of "governance by systems, with controllable risks," establishing a compliance management framework that spans the entire value chain. By leveraging process optimization and technological empowerment, Sunway achieves a synergistic enhancement of risk management efficacy and operational efficiency.

Policy Response

Sunway closely monitors changes in laws and regulations, ensuring its systems dynamically align with national policies and legal requirements. During the reporting period, Sunway strictly complied with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Corporate Governance Guidelines for Listed Companies, Basic Norms for Enterprise Internal Control, and Supporting Guidelines for Enterprise Internal Control. While continuously refining internal management systems for business units, Sunway promptly revised key documents such as the Articles of Association, Working Rules for Independent Directors, and Working Rules for the Audit Committee of the Board in response to the latest regulatory changes, further strengthening its compliance system.

Oversight and Assurance

Sunway Communication has established an internal audit department tasked with conducting full-cycle audit supervision of the company and its subsidiaries' operations. The department's oversight focuses on financial compliance, the legality of major investments, and the prevention of employee integrity risks. By strengthening compliance assurance, Sunway mitigates potential compliance risks, thereby enhancing the operational efficiency of its business units. The internal audit department reports to the Board of Directors and the Audit Committee, providing regular updates on its activities and findings.

System Framework

During the reporting period, Sunway continued to refine its compliance management system, bolstering its capacity for compliant operations. Anchored by the Management System for Subsidiaries and Branches and the internal management systems of various business units, and guided by the Sunway Group Internal Control Process Manual, Sunway integrates compliance system development into specific departments, ensuring robust and consistent implementation across the organization.

System Development

Sunway recognizes that a robust system framework enables the company to confidently address challenges and minimize unnecessary losses. During the reporting period, Sunway's exceptional internal management capabilities were validated through various certifications, earning corresponding certificates and outstanding results. The company developed the System Management Manual, complemented by an annual dynamic update mechanism and detailed implementation guidelines, to regulate employee behavior in alignment with universal and international standards. Through thorough document training and effective execution, managers and employees have driven steady corporate development. Notably, Sunway achieved a Silver Medal certificate upon completing the Responsible Business Alliance (RBA) verification audit process during the reporting period.

Risk and Internal Control

Comprehensive Risk Management System

The establishment of a robust risk management system is critical to Sunway's healthy and sustained operations. Risk management is a systematic endeavor, and effective risk identification is essential for building a comprehensive enterprise risk management framework. In the modern era, corporate risk management has evolved significantly in four key areas: safeguarding against systemic risks, continuously enhancing the risk management system, increasing investments in information technology, and fostering a strong risk management culture, with a particular focus on risk prevention in critical internal control areas.

During the reporting period, Sunway used the Risk and Opportunity Control Procedure as a cornerstone to refine its risk management framework, assign risk management responsibilities, and establish a full-cycle risk supervision mechanism, achieving closed-loop risk management. Beyond risk mitigation, the framework also analyzes potential opportunities across business processes. By providing specific methodologies and quantitative standards for assessing risks and opportunities, Sunway encourages employees to actively participate in corporate governance, addressing both risks and opportunities to ensure sustainable development.

2024 Sunway Communication Risk Management System

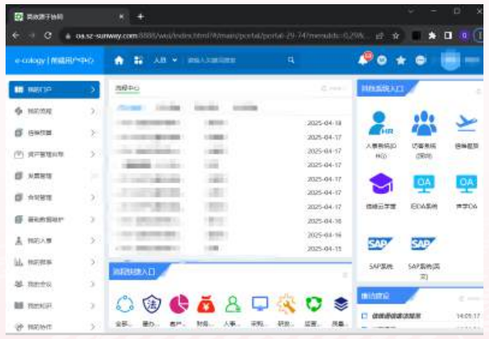
Position	Responsibilities
General Manager	Identify, analyze, and confirm internal and external factors affecting the company's development; approve plans and measures to address risks and opportunities; allocate resources for risk management, including financial investments, human resources, necessary training, and technical support.
System Department	Establish and maintain the Risk and Opportunity Control Procedure; periodically organize reviews of risks and opportunities; monitor the implementation of measures identified in risk and opportunity assessments; track and report on the effectiveness of these measures; compile the Risk and Opportunity Assessment Analysis Table based on the completion and effectiveness of measures.
Business Departments	Conduct risk and opportunity assessments for processes within their scope; develop corresponding measures based on assessment results; implement and oversee the execution of these measures.

Risk Prevention and Response

Sunway has established a multidimensional risk prevention system. Through comprehensive assessment and analysis, identified risks are categorized into financial risks, operational risks, market risks, legal and compliance risks, credit risks, and environmental risks. The system traces the origins of risks internally and externally, clarifying the processes and responsibilities associated with risk generation. Corresponding risk management policies are formulated to ensure departments have clear guidelines for addressing risks when they arise and traceable frameworks for prevention. For instance, to address financial risks such as overdue customer accounts, Sunway issued the Customer and Accounts Receivable Management Policy. This policy enables the Finance Department, Customer Service Department, Sales Department, and Legal Department to effectively prevent or appropriately handle such risks, ensuring smooth operations across all functions.

Digital Risk Control Platform

Digitalization significantly enhances the agility of Sunway's internal control system, accelerating the handling of compliance matters and risk events while improving the efficiency of compliance and risk management measures. Sunway has developed a robust information and communication platform to enhance the speed and security of information exchange. By integrating systems such as SAP, OA, SRM, and HR, Sunway combines internal business processes, financial accounting, and personnel performance evaluations with digital platforms. This strengthens control over key business modules, including procurement, sales, production, finance, and human resources. The platform fosters seamless connectivity between the company's headquarters and its subsidiaries, reducing inter-departmental communication costs and optimizing internal communication efficiency. These advancements provide strong support for Sunway's pursuit of high-quality, sustainable development.



Sunway Communication Digital Platform Showcase

Compliant Operations and Adherence to Legal Standards

Business Ethics

At the core of Sunway Communication's values lies the principle of honesty, which continuously guides every employee to adhere to the highest standards of business ethics. By leveraging both institutional frameworks and cultural reinforcement, Sunway fosters a transparent, secure, and sustainable business ecosystem. The company has established a multidimensional business ethics framework encompassing employees, suppliers, and partners, contributing to the development of an industry-wide integrity system.

Sunway has formulated the Sunway Communication Business Ethics Code to help all employees thoroughly understand the significance and implications of business ethics, thereby strengthening their ethical awareness. The company has implemented a "triad" execution system:

Audit and Legal Departments: Develop, implement, and oversee relevant policies while promptly addressing employees' compliance-related inquiries.

Human Resources Department: Regularly conducts business ethics advocacy to reinforce employees' ethical understanding.

Other Departments: Carry out ongoing employee education and behavioral supervision

Additionally, Sunway has established the Social Responsibility Manual, which outlines the company's social responsibility policies and business ethics framework. Sunway is committed to building a social responsibility system based on the SA8000:2008 standard, adhering to the Responsible Business Alliance (RBA) Code of Conduct, the Universal Declaration of Human Rights, the United Nations Convention on the Rights of the Child, the United Nations Convention on the Elimination of All Forms of Discrimination Against Women, and other relevant commitments. These principles guide continuous improvements to Sunway's business ethics management system.

Conflict of Interest

To effectively mitigate risks arising from conflicts between individual and corporate interests, the Sunway Communication Business Ethics Code categorizes and analyzes potential conflict-of-interest scenarios, enabling employees to recognize behaviors that may lead to such conflicts. Employees are required to immediately report any potential or actual conflicts of interest to their supervisors through the appropriate reporting chain. Furthermore, to regulate conflicts arising from related-party transactions, Sunway has implemented the Related-Party Transaction Management Policy. This policy mandates that related directors, independent directors, shareholders, and other relevant parties proactively declare conflicts of interest and abstain from voting on related proposals, ensuring fairness and scientific rigor in the company's decision-making processes.

Anti-Corruption

Sunway maintains a zero-tolerance stance toward corruption, including but not limited to favoritism, commercial monopolies, embezzlement, and misappropriation of duties, which violate national laws, regulations, and business ethics standards. The company prioritizes integrity-building efforts and has established a dedicated section on its official website to communicate anti-corruption policies to suppliers, partners, and employees. During the reporting period, Sunway actively combated fraudulent practices, conducted anti-corruption education and training, and promoted its policies through initiatives such as distributing employee handbooks, organizing specialized anti-corruption training sessions, and advocating corporate cultural values. In 2024, anti-corruption training achieved 100% coverage among employees.

Efficient Communication to Safeguard Stakeholder Rights

Investor Engagement

Sunway strictly adheres to the requirements of the Administrative Measures for Information Disclosure of Listed Companies and other relevant laws and regulations, having established the Information Disclosure Management Policy to fulfill its obligations for truthful, accurate, and complete information disclosure. The company proactively expands communication channels with investors, ensuring they are promptly informed of changes in corporate strategies and operational developments. During the reporting period, Sunway published 82 documents on the China Securities Regulatory Commission's designated information disclosure website for the Growth Enterprise Market, responded to approximately 520 investor inquiry calls, addressed 316 investor questions on the "Interactive Easy" platform, and held an annual performance briefing online. Through these efforts, Sunway has fostered constructive interactions with investors, effectively safeguarding their rights and interests.

Grievance and Whistleblowing Mechanism

Comprehensive Process Assurance Mechanism

Sunway Communication encourages stakeholders to report any incidents that infringe upon their interests or violate business ethics. The company is steadfast in protecting the safety and privacy of whistleblowers. In cases where investigated entities or reported individuals retaliate against whistleblowers, Sunway will address such actions with utmost seriousness in accordance with legal procedures.

Multi-Channel Reporting Framework

Offline Network	Standardized physical suggestion boxes are placed in work areas.
Online Platform	Reports are collected via email and telephone channels.
Periodic Evaluation	Regular assessments are conducted to evaluate the effectiveness and responsiveness of grievance channels, ensuring the efficient operation of the grievance and reporting mechanism.

2024 Sunway Communication Grievance and Whistleblowing Mechanism

Source of Grievance	Grievance Channels	Case Resolution Rate (%)
Internal Company	Email: HR_Complaints@sz-sunway.com	100
External Company	Email: tousu@sz-sunway.com Telephone: 0755-81773388 Written or In-Person Reporting: A.B Building, No. 1013 Xihuan Road, Shajing Street, Bao'an District, Shenzhen City Postal Code: 518104	100

Empowering Enterprise Development through Party Building Initiatives

Strengthening Party Organization

The Party Branch of Shenzhen Sunway Communication Co., Ltd. was established in May 2007. As of 2024, the Party organization has a well-defined structure, including a Branch Committee composed of a Party Branch Secretary, an Organization Member, and a Publicity and Discipline Member. Since its inception, the Party Branch has prioritized advancing Party-building efforts, focusing on creating dedicated spaces for Party activities. Facilities such as a Party library and a cultural wall showcasing the Party's illustrious history have been established, providing a conducive platform for Party members to study and internalize the Party's progressive ideologies. By highlighting the Party's historical journey and achievements, these initiatives foster a robust Party-building atmosphere. To enhance Party members' cohesion and ideological commitment, the Sunway Communication Party Branch regularly convenes Branch Party Member Meetings, Branch Committee Meetings, and Party Group Meetings, while diligently conducting Party classes. By strictly adhering to the "Three Meetings and One Class" system, the Branch strengthens Party organization life, enhances member management, and advances the education and training of Party members.

High-Quality Party-Building to Drive High-Quality Development

In 2024, the Party Branch of Sunway Communication conducted a variety of Party-building activities on a monthly basis. These initiatives encompassed in-depth study of the Party's guidelines, the spirit of the "Two Sessions," and the key messages from the Third Session of the Seventh District Party Congress. Party members were actively engaged in diverse community service initiatives and traditional cultural programs. The branch also organized themed Party Day activities, such as "Studying the Party Constitution and Staying True to Our Original Aspiration," to further enhance Party consciousness and strengthen political identity.

Party Members Studying the Law on Countering Organized Crime

Second Quarter Political Birthday Gathering

Stay True to Our Commitments, Work Together for Mutual Success

Pursuing Shared Development and Promoting Win-Win Cooperation 53

Supporting Public Welfare and Fulfilling Social Responsibility 56

Pursuing Shared Development and Promoting Win-Win Cooperation

Supply Chain Management

New Supplier Onboarding

Sunway Communication has established a comprehensive supplier evaluation system that encompasses quality, environmental protection, occupational health and safety, social responsibility, and business ethics, in alignment with legal regulations and international standards. This system ensures continuous optimization of supply resources in terms of quality, cost, delivery, and innovation. Sunway has formulated and strictly implements the Green Supplier Evaluation and Selection Control Procedure, which employs a three-stage process to achieve precise supplier screening.

Stage 1: Qualification Verification

Compliance reviews are conducted based on the Sunway Communication Group Supplier Onboarding Baseline. Suppliers that violate the SWSAI-027 Supplier SEA Standard (covering quality, environmental protection, and social responsibility) are subject to a one-strike veto. Potential suppliers are required to submit documents such as quality agreements, integrity cooperation agreements, the Supplier Code of Ethics and Business Conduct, and the Sunway Communication Supplier Genuine Quality Commitment Letter to establish a robust foundation for ethical collaboration.

Stage 2: Sample Validation

Sample testing is conducted in accordance with the Supplier Sample Approval Management Measures, with simultaneous review of samples against quality commitment documents.

Stage 3: On-Site Assessment

An audit team is dispatched to conduct on-site evaluations based on the Supplier Audit Checklist and Supplier On-Site Audit Guidelines. Potential suppliers are graded from A to D based on audit scores, with specific onboarding and improvement measures defined for each grade. Differentiated cooperation strategies are implemented in accordance with the Exclusive Supply Management Regulations and Supplier Resource Pool Management Regulations.

Sunway Supplier Evaluation Grades and Corresponding Measures

Evaluation Grade	Job Description
Grade A: Excellent	Suppliers are required to submit an improvement plan and evidence of implementation: 1. Submit improvement plan (within one week); 2. Complete improvements and submit evidence (quality and environmental: within 30 days; SEA: within 60 days).
Grade B: Qualified	
Grade C: Conditionally Qualified	Suppliers are required to submit an improvement plan and evidence of implementation: 1. Submit improvement plan (within one week); 2. Complete improvements and submit evidence (quality and environmental: within 30 days; SEA: within 60 days). 3. The sourcing department organizes an audit team for an on-site re-evaluation, and formal supplier qualification can only be initiated if the re-evaluation score exceeds 75.
Grade D: Unqualified	The supplier's improvement report must be approved by all members of the audit team. The sourcing department organizes a second on-site re-evaluation, and formal supplier qualification can only be initiated if the re-evaluation score exceeds 75. If the supplier fails to meet qualified supplier conditions after the second audit, the application and onboarding process will be terminated.

SEA: Quality, Environmental Protection, and Social Responsibility

Periodic Supplier Audits

For qualified suppliers, Sunway conducts regular audits in accordance with the Supplier Performance Assessment Standards and Supplier On-Site Audit Guidelines. The supplier quality management lead develops the Annual Supplier Audit Plan for the following year by the end of each year, based on annual delivery batches, quality performance, and hazardous substance risks, and oversees its implementation. Suppliers are classified into A to D grades based on audit results, with tiered management applied accordingly.

Sunway Supplier Tiered Management

Grade	Description
Grade A	Eligible for large-scale procurement and prioritized for new project collaborations.
Grade B	Engaged through standard procurement methods, maintaining cooperation on existing projects, with new project collaborations determined by monthly delivery quality performance.
Grade C	Backup suppliers: primarily engaged for small-batch procurement of simple materials, with enhanced guidance provided, but no eligibility for new project collaborations.
Grade D	Unqualified suppliers: unable to reliably provide products meeting company requirements, posing significant risks to procurement or potential damage to the company's social reputation, and thus excluded from procurement considerations.

Supplier Exit Mechanism

Sunway Communication rigorously enforces a supplier exit mechanism, initiating termination procedures immediately upon the occurrence of any of the following circumstances:

Compliance Red Line	Quality Incidents	Integrity Crisis	Environmental Non-Compliance
Suppliers that have been subject to administrative penalties due to violations of labor rights, environmental regulations, occupational health standards, or business ethics, or those involved in major corporate social responsibility incidents that have been exposed by the media and caused significant negative social impact.	The company has used supplier products in accordance with relevant operating procedures and instructions but has suffered significant losses in environmental protection or occupational health due to defects in the supplier's products.	Suppliers found to have violated integrity agreements or committed serious integrity issues (such as providing false qualification documents) have been identified.	When environmental hazardous substances are found to exceed standards during incoming material, in-process, finished product, or customer sampling inspections, or when suppliers fail environmental audits and are unable to propose a rectification plan, appropriate actions have been taken.

Supplier Performance Assessment

Sunway has established an IT-based, systematic Supplier Management System to objectively and fairly evaluate supplier performance through automated calculations. This system provides data-driven support for determining procurement order allocations and facilitating supplier selection and elimination. Quality, delivery, and commercial departments collaboratively participate in managing the supplier lifecycle, fostering a balanced supplier ecosystem.

Sunway Supplier Performance Assessment

Assessment Category	Assessment Department	Assessment Details
Quality	Quality Department	Market quality, incoming batch pass rate, production cumulative DPPM (defective parts per million), mix-up errors, SCAR (Supplier Corrective Action Request) timeliness and effectiveness, critical quality red-line issues (deduction points).
Commercial	Procurement Department	Timely quotations, on-time sample delivery rates, competitive pricing for new products, cooperation on existing products, and flexible payment terms.
Delivery	Planning Department	On-time delivery rate, satisfaction rate for last-minute delivery adjustments, lead time (L/T) comparison for similar product categories, delivery capacity comparison, supplier willingness to maintain inventory, major incidents.

Supplier Hazardous Substances Management

Onboarding Control

Suppliers are required to understand and comply with the Sunway Environmental Control Substances Management Specification, implementing effective controls over hazardous substances and signing environmental agreements and surveys. As stipulated in the Sunway Guarantee of Non-Use of Controlled Environmental Substances, suppliers must sign the latest version of the document and return it within one month of receiving an updated version from Sunway.

Process Oversight

Suppliers must provide Sunway with relevant documentation, including the Hazardous Substances Survey Form, Component REACH Information Form, material certificates, MSDS (Material Safety Data Sheets), and environmental test reports for products, components, assemblies, and materials. In case of changes to components, assemblies, or materials, suppliers must resubmit the relevant documentation. The Environmental Change Confirmation Form mandates that suppliers submit this form if changes occur in the materials they provide or in their upstream suppliers. All agreements and survey forms signed by suppliers must be endorsed by the responsible person and bear the company's official seal, ensuring the authenticity and validity of the submitted information. Suppliers are fully liable for any economic losses resulting from falsified information.

Outsourcing Process

For processes such as electroplating and coating, Sunway has established two control procedures—Procurement (Outsourcing) Control and Supplier Management Control—and developed the Outsourcing Process Control Procedure and the Green Supplier Evaluation and Selection Control Procedure to ensure effective management of outsourced processes.

Conflict Minerals Management

Conflict Minerals refer to metals such as tantalum (Ta), tin (Sn), tungsten (W), gold (Au), cobalt (Co), and mica sourced from conflict-affected regions in the Democratic Republic of the Congo and its neighboring countries, controlled by non-governmental armed groups or non-military factions. Profits derived from illegal mining by these groups are often stolen from citizens, contributing to human rights abuses and environmental degradation in eastern Democratic Republic of the Congo.

Sunway Communication is committed to procuring exclusively from smelters and refiners verified by independent third parties and strives to mitigate the negative impacts associated with the supply and trade of conflict minerals. We conduct due diligence on the use of conflict minerals in our materials and expect our suppliers to participate in this process. Sunway does not support, accept, or use metals sourced from armed conflicts, illegal mining, or substandard working conditions.

Supplier Commitment

Suppliers are required to sign the Conflict-Free Minerals Declaration and the RMT_CMRT Due Diligence documents.

Sunway has established the Conflict Minerals Work Guidelines, which are communicated to suppliers, mandating that they refrain from procuring conflict minerals, develop their own policies, conduct responsible minerals due diligence, and actively share due diligence information with customers to collectively promote sustainable development.

Information Disclosure

Sunway compiles and publishes the Annual Conflict Minerals Report, transparently disclosing supply chain traceability information.

During the reporting period, through reasonable country-of-origin inquiries and due diligence, we confirmed that 100% of the smelters and refiners in our supply chain are qualified. Additionally, Sunway released its inaugural Sunway Communication: 2024 Annual Conflict Minerals Report.

Sunway 2024 Conflict Minerals Survey Results

Conflict Mineral	Number of Smelters/ Refiners	Qualified Smelters	Smelters Under Audit	Smelters in Extended Communication	Qualified Smelter Ratio (%)
Gold	88	88	0	0	100
Tantalum	32	32	0	0	100
Tin	64	64	0	0	100
Tungsten	31	31	0	0	100
Cobalt	39	39	0	0	100
Total	254	254	0	0	100

Supplier Engagement

Sunway adopts an open and proactive approach, collaborating closely with supply chain partners to advance shared goals. We have established the Supplier Training Management Measures, continuously supporting suppliers through training sessions, supplier conferences, and other initiatives. These efforts help suppliers gain a deeper understanding of transparent procurement principles, enabling them to collectively shoulder industry development responsibilities, fulfill corporate social responsibilities, and contribute to a robust industry ecosystem.

CASE **Sunway Communication's Supply Chain Sustainability Management and Supplier Empowerment Initiatives**

To align with China's "dual carbon" strategic goals and advance Sunway's commitment to carbon neutrality by 2030, we are building a green supply chain ecosystem in collaboration with our partners. On June 25, 2024, Sunway organized a Supplier Sustainability Training Conference in Shenzhen, attended by representatives from over 50 core suppliers. The event systematically enhanced partners' understanding of Environmental, Social, and Governance (ESG) concepts and management frameworks, fostering closer cooperation to achieve green and sustainable supply chain objectives.

Equal Treatment of Small and Medium-sized Enterprises

Sunway Communication is dedicated to creating a fair competitive environment for small and medium-sized enterprises (SMEs), promoting the overall health of its supply chain. During the reporting period, Sunway had no instances of overdue payments to SMEs, effectively safeguarding their legitimate rights and interests.

Supporting Public Welfare and Fulfilling Social Responsibility

Sunway upholds the principle of "taking from society and giving back to society." Since establishing the non-public fundraising Shenzhen Sunway Public Welfare Foundation in 2018, we have consistently focused on supporting benevolent individuals in need, fostering sustainable social impact.

CASE Shenzhen Sanitation Workers Support Initiative

On September 9, 2024, in response to persistent high temperatures in Shenzhen, the Shenzhen Sunway Public Welfare Foundation, in collaboration with the Sunway Party Branch, organized the "Mid-Autumn Moonlight, Warmth for All – Honoring Sanitation Workers, Building a Cleaner City" public welfare activity. The Foundation, together with company volunteers, distributed 140 care packages containing heatstroke prevention supplies and daily necessities to over 130 sanitation workers in the Shajing Heyi Community. This initiative extended heartfelt gratitude to the city's guardians who remain steadfast at their posts despite high-temperature alerts.

CASE Empowerment and Employment Support for Special Needs Groups

Mental Disability Youth Rehabilitation Project: In December 2024, recognizing that individuals with mental disabilities often face challenges in learning and adapting to their surroundings compared to their peers, Sunway promoted inclusive employment through a "purchase-for-donation" model. We procured 50 sets of customized cup sleeves to support the Kunming Lixing Workshop's embroidery-based therapeutic courses, empowering participants to integrate into society with greater dignity.

Autism Art Therapy Project: Concurrently, Sunway sponsored an autism art therapy initiative by the Shenzhen Autism Youth Choir. We donated 15,696 CNY to the "Inner Image Native Art Group" to fund music therapy for autistic youth, fostering their emotional and social development.

Sunway consistently aligns its growth with the destiny of the nation and its people. By actively responding to national calls, we implement long-term targeted assistance programs to advance rural education and support China's rural revitalization strategy.

CASE Support for Desheng Kindergarten in Qujing, Yunnan

In December 2024, Sunway donated 269 sets of winter uniforms and 253 sets of stationery, including calligraphy practice books, to Desheng Kindergarten in Fucun Town, Fuyuan County, Qujing City, Yunnan Province. Additionally, we provided 15,000 CNY for facility repairs and upgrades after thoroughly assessing the kindergarten's needs. Sunway's support for Desheng Kindergarten began in 2022, addressing critical issues such as water shortages during the dry season for this school located in the mountainous region at the Yunnan-Guizhou border. Beyond material aid, we have supported teacher training, student development, the creation of distinctive school programs, and improvements in facilities and equipment. Over the years, we have established a long-term partnership mechanism with the kindergarten.

In the process of globalization, Sunway remains committed to integrating into local communities and fulfilling social responsibilities. While expanding our business overseas, we consistently prioritize the well-being of local employees and communities.

CASE Extending International Responsibility – Vietnam Sunway Organizes Typhoon and Flood Relief Efforts

In September 2024, northern Vietnam was severely impacted by Typhoon No. 3, resulting in devastating floods and significant loss of life and property. In response to the crisis, Sunway Communication Vietnam swiftly organized disaster relief efforts, launching a company-wide donation drive to support affected communities. The funds raised provided aid to four internally affected employees and residents of Vinh Phuc Province, Vietnam.

Key Performance Indicators

Sustainability Indicators	Unit	2023 Data	2024 Data
Environment			
Environmental Investment	10,000 CNY	859.75	1,716.34
Energy Consumption			
Gasoline	GJ	2,237.72	3,711.32
Diesel	GJ	906.32	1,088.14
Natural Gas	GJ	22,197.13	35,203.32
Electricity	GJ	485,450.58	739,352.10
Clean Energy	GJ	97,576.56	377,281.49
Water Resource Usage			
Total Water Consumption	m^3	1,069,783.00	1,172,187.00
Recycled Water	m^3	/	71,588.00
Domestic Wastewater Discharge	m^3	/	997,065.55
Industrial Wastewater Discharge	m^3	/	27,149.60
Administrative Penalties for Wastewater Discharge	Instances	0	0
Greenhouse Gas Emissions			
Scope 1 GHG Emissions	tCO_2e	4,183.21	3,457.87
Scope 2 GHG Emissions (Location-based)	tCO_2e	95,521.26	95,015.93
Scope 2 GHG Emissions (Market-based)	tCO_2e	79,597.89	45,292.62
Scope 3 GHG Emissions	tCO_2e	110,796.94	132,364.94
Total GHG Emissions (Location-based)	tCO_2e	210,501.41	230,838.74
Total GHG Emissions (Market-based)	tCO_2e	194,578.04	181,115.43
Solid Waste Generation			
Total Non-hazardous Waste Generated	t	1,379.06	7,097.15
Total Hazardous Waste Generated	t	459.59	701.14
Non-hazardous Waste Recycled	t	1,024.11	2,868.65
Hazardous Waste Recycled	t	426.92	8.27
Social			
Employee Statistics			
Employee Statistics by Gender			
Male Employees	Persons	7,164	7,696

Sustainability Indicators	Unit	2023 Data	2024 Data
Female Employees	Persons	5,427	5,904
Male Employee Ratio	%	56.90	56.59
Female Employee Ratio	%	43.10	43.41
Total Employees	Persons	12,591	13,600
Employee Turnover			
Development and Training			
Employee Training Coverage	%	100	100
Health And Safety			
Work-related Fatalities	Persons	0	0
Governance			
Board of Directors			
Board of Directors Composition by Independence			
Number of Independent Directors	Persons	3	3
Number of Non-independent Directors	Persons	6	6
Employee Statistics by Gender			
Male Directors	Persons	8	7
Female Directors	Persons	1	2
Total Directors	Persons	9	9
Board Meeting Statistics			
Number of Board Meetings Held	Instances	4	5
Average Board Meeting Attendance	%	100	100
Audit Committee Meetings Held	Instances	4	4
Strategy Committee Meetings Held	Instances	2	2
Compensation and Assessment Committee Meetings Held	Instances	1	3
Nomination Committee Meetings Held	Instances	2	2
Supervisory Board Meetings Held	Instances	3	4
Average Supervisory Board Meeting Attendance	%	100	100
Sustainability Training Statistics			
Number of ESG Training Sessions Organized for Board Members	Instances	1	1

Indicator Index Table

Report Section		Shenzhen Stock Exchange Listed Company Self-Regulatory Guidelines No. 17 – Sustainability Report (Trial) Indicators	Global Reporting Initiative (GRI) Standards Indicators
Report Overview	Report Scope	Article 4	2-2/2-3
	Preparation Basis		
	Reliability Statement		
	Report Access		
Chairman's Statement		/	2-22
About Sunway Communication	Sunway Communication Profile	/	2-1
	Awards and Recognition	/	2-28
Sustainability Strategy and Management	Sustainability Strategy Philosophy	/	/
	Sustainability Governance Structure	Article 12	2-14
	Materiality Assessment	Article 11	3-1/3-2/3-3
Maintaining Leadership, Striving for Excellence	Recipient of the "Single Champion Enterprise in Manufacturing" Award	/	/
	Sunway Communication Named to Shenzhen Green Factory List	/	/
	Seven Consecutive Years of Receiving Shenzhen Stock Exchange's A-Level Information Disclosure Evaluation	/	/
	Recipient of the 2024 Best Action Award for Corporate Sustainability		
Building a Robust Management Framework to Advance Environmental Governance	Enhancing Institutional Systems	Articles 29/33	102-15/201-2
	Environmental Risk Management		
	Ensuring Investment in Environmental Protection		
	Fostering a Green Culture		
	Environmental Information Disclosure		
Transforming Risks and Addressing Climate Change	Governance	Articles 21–28	305-1/305-2/305-5
	Strategy		
	Risk and Opportunity Management		
	Metrics and Targets		
	Carbon Emissions Monitoring		

Indicator Index Table (Continued 1)

Report Section		Shenzhen Stock Exchange Listed Company Self-Regulatory Guidelines No. 17 – Sustainability Report (Trial) Indicators	Global Reporting Initiative (GRI) Standards Indicators
Transforming Risks and Addressing Climate Change	Energy Management	Articles 34/35	302-1/302-4
	Energy Conservation and Carbon Reduction		
Resource Conservation and Leading Low-Carbon Operations	Water Resource Management	Articles 34/36	303-1/303-2/303-3
	Waste Management	Article 31	306-1/306-2/306-3/306-4/306-5
	Circular economy	Article 37	
Compliant Emissions and Safeguarding the Ecological Environment	Compliant Emissions	Article 30	303-4/306-7
	Chemical Management	Articles 30/33	/
	Green Products	Article 20	/
Multifaceted Strategies to Safeguard Biodiversity	Site Selection Management	Article 32	101-4
	Environmental Impact Assessment Management		
Fostering a Harmonious and Inclusive Workplace Through a People-Centered Approach	Equal Employment	Articles 50/52	401-1/405-1/406-1/409-1
	Employee Compensation		405-2
	Employee Well-Being		401-2/401-3
	Occupational Health and Safety Management System		403-1/403-2/403-4/403-5/403-6/403-7/403-8/403-9/403-10
	Occupational Health and Safety Measures		
	Occupational Health and Safety Risk Identification and Response		
	Occupational Health Protection		
	Safety Culture Development		
	Incident and Near-Miss Management		
Empowering Talent and Realizing Employee Value	Employee Training	Article 50	404-1/404-2
	Employee Promotion	Article 50	404-3
Striving for Excellence and Prioritizing Quality	Product Quality and Safety	Article 47	416-1/416-2
	Customer Service and Satisfaction	Article 47	/
	Technological Innovation	Article 42	/

Indicator Index Table (Continued 2)

Report Section		Shenzhen Stock Exchange Listed Company Self-Regulatory Guidelines No. 17 – Sustainability Report (Trial) Indicators	Global Reporting Initiative (GRI) Standards Indicators
Scientific Governance for Stable Company Operations	Corporate Governance Structure	Article 51	2-9/2-10/2-11/2-12/2-13/2-14
	Shareholders' General Meeting	Article 51	
	Supervisory Committee	Article 51	
	Board of Directors	Article 51	
Risk Management to Support Company Development	Compliance Management	Article 51	2-23/2-24/2-25/2-26/2-27
	System Development	Article 51	
	Risk and Internal Control	Articles 18/52	
	Information System Development	/	
Compliant Operations and Adherence to Legal Standards	Business Ethics	Article 54	2-23/2-24/206-1
	Conflict of Interest	Article 54	2-15
	Anti-Corruption	Article 56	205-2
Efficient Communication to Safeguard Stakeholder Rights	Grievance and Whistleblowing Mechanism	Article 52	2-25/2-26
	Investor Engagement	Article 52	2-26
Empowering Enterprise Development through Party Building Initiatives	Strengthening Party Organization	/	/
	High-Quality Party-Building to Drive High-Quality Development	/	/
Pursuing Shared Development and Promoting Win-Win Cooperation	Supply Chain Management	Article 45	308-1/308-2/414-1/414-2
	Conflict Minerals Management	Article 52	308-2
	Supplier Engagement	Article 44	414-1/414-2
	Equal Treatment of Small and Medium-sized Enterprises	Article 46	204
Supporting Public Welfare and Fulfilling Social Responsibility		Articles 38–40	

Feedback Form

Dear Reader,

We sincerely thank you for taking the time to read the 2024 Sustainability Report of Shenzhen Sunway Communication Co., Ltd. Your feedback is invaluable to us as we strive to enhance and improve our sustainability efforts. Please share your opinions and suggestions to help us continuously refine this report.

Office Address: No. 1013 Xihuan Road, Shajing Town, Bao'an District, Shenzhen City, China

Contact Information: +86-755-81773388

Your Information:

Name (Optional):	
Phone (Optional):	
Email or Other Contact Information (Optional):	
Employer (Optional):	

Multiple-Choice Questions (Please mark √ in the appropriate box)

1. What is your overall evaluation of this report?

□ Excellent □ Good □ Average □ Poor □ Very Poor

2. Does this report comprehensively and accurately reflect the company's significant impacts on the economy, society, and environment?

□ Excellent □ Good □ Average □ Poor □ Very Poor

3. Does this report adequately address and disclose issues of concern to stakeholders?

□ Excellent □ Good □ Average □ Poor □ Very Poor

4. Are the information, indicators, and data disclosed in this report clear, accurate, and complete?

□ Excellent □ Good □ Average □ Poor □ Very Poor

5.How would you rate the readability of this report, including its logical structure, content design, language, and layout?

□ Excellent □ Good □ Average □ Poor □ Very Poor

Open-Ended Questions

1. Will you continue to follow Sunway Communication's sustainability reports in the future?

2. What aspect of this report are you most satisfied with?

3. Which section of the report is most engaging to you?

4. What additional information would you like to know?

5. What suggestions do you have for our future sustainability reports?

Sunway Communication Co., Ltd.

Stock Abbreviation: 信维通信 **Stock Code: 300136**